2023

ANNUAL REPORT & ACCOUNTS

www.mrsoilnigplc.net

Contents

OUR VISION

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

OUR MISSION

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

OUR VALUES

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty-Fifth Annual General Meeting of MRS Oil Nigeria Plc will hold at the, Federal Palace Hotel, Ahmadu Bello Way, Victoria Island, Nigeria, on August 1, 2024 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To lay the Audited Financial Statements for the year ended 31 December 2023 and the Report of the Directors together with the Audit Committee and Auditors Report thereon.
2. To declare a dividend.
3. To re-elect Directors under Articles 90/91 of the Company's Articles of Association.
4. To appoint External Auditors
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To elect the Members of the Audit Committee.
7. To disclose the remuneration of the Managers of the Company.

SPECIAL BUSINESS:

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

8. To fix the remuneration of the Non-Executive Directors.
9. To renew the general mandate for "Related Party Transactions".

VOTING BY INTERESTED PERSONS:

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transactions of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on the Special Business in item 8 above.

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

10. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 9 and subsisting the following new Article below in its place:

    Article 9 to read "Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within three months after said allotment or lodgment of transfer (or within such other period as the conditions of issue provide)" one certificate for all his shares or several certificates each for one or more of his shares upon payment of Five Thousand Naira only for every certificate after the first or such less sum as the Directors shall from time to time determine. Every certificate shall specify the shares to which it relates and the amount

Prior to the Meeting, Members have a right to ask questions regarding concerns or observations that may arise from the 2023 Annual Report and Accounts, in writing and during the Annual General Meeting.

paid up thereon. Provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one or several joint holders shall be sufficient delivery to all such holders".

11. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 10 and subsisting the following new Article below in its place:

    Article 10 to read " Every certificate for shares or debentures or representing any other form of security (other than letters of allotment or scrip certificates) may be under the Seal and shall bear the autographic signature of one or more Directors or with one Director and the Secretary, but so that the Directors may by resolution determine either generally or in any particular case, that the signature of any Director or of the Secretary may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such resolution restricted to certificates which have first been approved for Sealing by the Company.

    A member who has transferred part of his shares comprised in a share certificate shall be entitled to receive without payment and within three months after the lodgment of the transfer of the shares transferred a certificate in respect of the shares not transferred. If a share certificate be defaced, lost or destroyed it may be renewed on payment of such sum not exceeding Five Thousand Naira and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence as the Directors think fit".

12. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 19 and subsisting the following new Article below in its place:

    Article 19 to read "If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment and such rate shall not exceed the current bank rate per annum".

13. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 21 and subsisting the following new Article below in its place:

    Article 21 to read "The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) the current bank rate per annum".

14. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 71 and subsisting the following new Article below in its place:

    Article 71 to read "The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed office or a notarially certified copy of that power or authority shall be deposited at the office or at such other place within Nigeria as may be specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or in the case of a poll, less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid".

15. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 122 and subsisting the following new Article below in its place:

    Article 122 to read "When the company sends dividends to its members but fails to send to some other members due to omission, the dividends will accrue interest at the prevailing bank rate starting three months after the day they should have been posted".

16. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 136 and subsisting the following new Article below in its place:

    Article 136 to read "If the Company shall be wound up, the Liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act divide amongst the members in specie or kind, the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability".

NOTES:

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

ii. **Dividend Payment:**
If the dividend recommended is approved and declared by the Members at the Annual General Meeting, the dividend will be credited directly on August 2, 2024 to the accounts of those shareholders, whose names appear in the Company's Register of Members at the close of business on June 28, 2024.

iii. **Shareholders Right to Ask Questions:**
Prior to the Meeting, Members have a right to ask questions regarding concerns or observations that may arise from the 2023 Annual Report and Accounts, in writing and during the Annual General Meeting. Provided, that the questions in writing shall be submitted to the Company, not later than July 11, 2024. The 2023 Annual Report and Accounts of the Company is available on the Company's website at www.mrsoilnigplc.net.

iv. **Register of Members and Transfer Books:**
The Register of Members and Transfer Books of the Company will be closed from July 1, 2024 through July 5, 2024 (both dates inclusive) to enable the preparation of an up to date Register.

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

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

ix. **E-Dividend/Bonus Mandate:**
Notice is hereby given to all Shareholders to open a bank account, stockbroking account, and CSCS account for the purpose of the payment of dividend. A detachable e-dividend form, can be detached from the Annual Report

for your convenience. The aforementioned form can also be downloaded from the Company's website at www.mrsoilnigplc.net or www.firstregistrarsnigeria.com/download-forms. Kindly fill out the form and submit to the Company's Registrar.

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

x. **E-Report:**
The electronic version of the 2023 Annual Report and Accounts is available online for viewing and downloading via the Company's website.

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

xii. **Closure of Dividend 38:**
In accordance with Section 432(2) of the Companies and Allied Matters Act, 2020 regarding dividends that are unclaimed for over twelve years, the Board at its meeting of March 27, 2024 approved the recall of Dividend 38 into the Company's account effective July 10, 2024. No further dividend will be paid to Shareholders from this dividend.

xiii. **Biographical Details of Directors for Re-election/Election:**
The biographical details of Directors standing for re-election/election are provided in the 2023 Annual Report and Accounts of the Company on page 35 to 38.

xiv. **Website:**
A copy of this Notice, a list of unclaimed dividends for the year ended 31 December, 2023 and other information relating to the AGM can be found on the Company's website – www.mrsoilnigplc.net

(BY ORDER OF THE BOARD)

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

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

Dated: March 27, 2024

RESULT AT A GLANCE

2022
Revenue
100,779,880

2023
Revenue
182,310,963

YEAR ENDED 31 DECEMBER 2023

Year ended 31 December

	2023 NGN'000	2022 NGN'000
Revenue	182,310,963	100,779,880
Cost of Sales	(167,309,031)	(92,204,953)
Tax Charge	(1,935,850)	(1,104,244)
Profit/(Loss) for the Year	4,048,758	1,316,102
Proposed Dividend for the Year	809,752	-
Proposed Dividend per 50k share (Naira	2.36	-
Earnings Per 50k Share (Naira)	11.81	3.84
Net Assets per 50k Share	65.94	53.95

PREMIER

2-STROKE ENGINE OIL

Unleash your engine's full potential!

Corporate Information: RC 6442

BOARD OF DIRECTORS

Mr. Patrice Alberti	Chairman
Mr. Marco Storari	Managing Director
Ms. Amina Maina	Non-Executive Director
Mr. Matthew Akinlade	Independent Director
Sir. Sunday Nnamdi Nwosu	Non-Executive Director
Dr. Amobi Daniel Nwokafor	Non-Executive Director
Mrs. Priscilla Ogwemoh	Non-Executive Director

Registered Office	2, Tincan Island Port Road, Apapa, Lagos
Company Secretary	**Mrs. O. M. Jafojo** 2, Tincan Island Port Road Apapa, Lagos
Registrar	**First Registrars and Investor Services Limited** Plot 2, Abebe Village Road, Iganmu Lagos PMB 12692 Marina, Lagos
Auditor	**Deloitte & Touché** Civic Towers Ozumba Mbadiwe Road Victoria Island Lagos
Principal Bankers	Access Bank Plc Fidelity Bank Plc First Bank of Nigeria Limited Stanbic IBTC Bank Plc Union Bank of Nigeria Limited Wema Bank Plc Zenith Bank Plc

LEADERSHIP TEAM

Marco Storari
Managing Director

Oluwakemi M. Jafojo
Company Secretary

Samson Adejonwo
Chief Finance Officer

Sunday Oyekale
Chief Internal Auditor

Muideen Salami
Account Manager

Mahmud Mohammed
Logistics Manager

Abraham S. Unubi
Quality Assurance Quality Control Manager

Rita Agbasi
Human Resources Manager

Col. Adebisi Adesanya (Rtd.)
Chief Security Officer

Dhikrullah Ameen-Ikoyi
Treasury Manager

Olawale Badru
Chief Legal Counsel

Oluwatoyin Olufunso-Godson
Brand and Customer Service Manager

Nkem Fasanmi
Supply Manager

Donald Oghuma
Sales and Marketing Manager

Abdulrazaq Suleiman
Engineering and Project Manager

CORPORATE PROFILE

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

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

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

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

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

342,884,706
SHARES

25,409
SHAREHOLDERS

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

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

Currently, 342,884,706 shares are held by about 25,409 Nigerian Shareholders and 1 foreign shareholder (MRS Africa Holdings Limited, Bermuda, a subsidiary of Corlay Global S.A.) in MRS Oil Nigeria Plc, a Company with the main business of marketing and/or manufacturing of petroleum related products in Nigeria.

With about 81 active Company-owned outlets and 97 third-party-owned operating outlets, MRS Oil Nigeria Plc is a major player in Nigeria's petroleum products marketing industry and a leading producer of quality lubricating oils and greases.

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

The Directors of MRS Oil Nigeria Plc ("the Company") are responsible for the preparation of the Financial Statements that give a true and fair view of the financial position of the Company as at 31 December 2023 and the results of its operations, cash flows and changes in the equity for the year ended, in compliance with the International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matter Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

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

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

The Directors are responsible for:

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

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

The Financial Statements of the Company for the year ended 31 December 2023 were approved by Directors on March 27, 2024.

On behalf of the Directors of the Company

Mr. Marco Storari	**Chief Dr. Amobi D. Nwokafor**
Managing Director	Director
FRC/2021/003/00000022038	FRC/2013/ICAN/00000002770

2023 CHAIRMAN'S STATEMENT

- MRS OIL NIGERIA PLC-

INTRODUCTION

Ladies and Gentlemen, I extend a warm welcome to our esteemed investors, board members, dedicated employees, loyal customers, the press and our trustworthy contractors, for your presence at the 55th Annual General Meeting of MRS Oil Nigeria Plc (MRS). Your unwavering support and commitment to the MRS growth is deeply appreciated. Despite the challenges of 2023, your trust and continued investments, has solidified the Company's position as a leading brand in Nigeria's Downstream Sector. It is my privilege to present the Annual Report and Accounts for the financial year ended 31st December 2023.

2023, was a testament to the resilience and strength of the Company. Despite global uncertainties, the determination and adaptability of the MRS team have not only helped to navigate challenges but has resulted in the achievement of significant milestones for the Company. This report provides an overview of the Company's strategic progress and outlines the vision for the future. I thank you for your continued trust and invite you to join me in reflecting on significant achievements, while we look ahead to the opportunities that lie ahead.
In this report, the key factors both local and global, that influenced the business operations and performance in the past year will be delved into, while highlighting the Company's responses to the challenges and the future plans.

THE 2022 OPERATING ENVIRONMENT

The year 2023 was marked by significant economic challenges and global events that impacted Nigeria's economy. In spite of efforts to address these challenges, the country faced persistent insecurity, rising inflation, currency depreciation and steady decline in available generation capacity in the power sector.

In 2023, Nigeria experienced a rise in the inflation rate for the 10th consecutive month, reaching the highest level recorded since 2005. The Nigerian Naira (Naira) also depreciated in both the official and black-market exchange rates due to persistent forex scarcity. This scarcity was predominantly due to the decline in foreign reserves and a surge in the demand for foreign currency, leading to mounting pressure on domestic prices of goods and services.

The power sector in Nigeria saw a drop in available generation capacity, which lead to several total or partial grid failures, attributed to transmission infrastructure failures. The demand for the privatization of the Transmission Company of Nigeria (TCN), to address these issues and improve energy access and efficiency in the country, increased.

On foreign direct investment, Nigeria recorded a slight increase in FDI between January and May 2023. However, the inability of foreign investors to withdraw their funds from the Nigerian economy had a negative impact on FDI inflows.

As the Company looks ahead to 2024, I am confident that MRS Oil Nigeria Plc will continue to thrive, driven by strong business fundamentals, strategic initiatives and commitment to excellence.

The threat of climate change also affected Nigeria in 2023, with unprecedented levels of flooding which resulted in significant damage. This impacted the downstream sector of the Oil and Gas industry, as distribution of petroleum products to affected states were stalled, affecting the cost of business operations.

Nigerians are optimistic that the economy can quickly turn around the implementation of reforms to stabilize its macro-fiscal policies and support investment, despite the challenges; these reforms would benefit the poor and vulnerable as well as Nigeria and Africa as a whole. It is imperative for Nigeria to make reform that restore macroeconomic stability, boost private sector development and expand social protection which safeguard the most vulnerable.

THE ECONOMIC ENVIRONMENT

As the various stakeholders attend the 55th Annual General Meeting of the Company, it is essential to reflect on the economic environment that shaped the operations in 2023, both globally and domestically. These factors impacted the downstream oil and gas sector in Nigeria, significantly influenced strategies and performances throughout the year.

Global Activities

Internationally, the global economic landscape was marked by significant volatility, particularly in oil prices. Geopolitical tensions, supply disruptions and changing demand patterns contributed to fluctuations in oil prices. The aftermath of Russia's invasion of Ukraine further heightened uncertainties in the energy markets and impacted the operations and financial performance.

In addition, there was an increased global focus on sustainability and renewable energy sources. The United Nations Climate Change Conference (COP26), underscored the need for countries to reduce carbon emissions and transition to cleaner energy sources. This global shift towards sustainability has prompted MRS to explore renewable energy alternatives and adopt more sustainable practices in its operations.

Domestic Activities

Domestically in Nigeria, the economic environment in 2023 presented several challenges. Inflationary pressures, currency depreciation and a challenging business climate impacted the operations. The National Bureau of Statistics (NBS) reported a rise in inflation rate for the 10th consecutive month in November 2023, reaching the highest level recorded since 2005. This unprecedented increase was attributed to high demand of petroleum products during the festive season, currency depreciation and rising energy costs.

The Naira also experienced a decline in both the official and black-market exchange rates due to persistent forex scarcity. The scarcity of dollars was primarily caused by the decline in the foreign reserves and a surge in the demand for foreign currency, leading to mounting pressure on domestic prices of goods and services.

Despite these challenges, MRS remained resilient and adaptive in its dealings. The Company implemented strategic initiatives to enhance operational efficiency and sustainability. The oil sector witnessed increased competition and the need for continued innovation to maintain market position and meet evolving consumer demands.

I can boldly say that, the global and domestic economic activities in 2023 significantly impacted the downstream oil and gas sector in Nigeria; however, while the challenges persisted, MRS demonstrated resilience and adaptability and positioned itself for sustainable growth in the future.

THE POLITICAL ENVIRONMENT

In 2023, Nigeria went through significant socio-political transformations, with profound effects on the country's political landscape. At this meeting, it is my duty to take the shareholders through the major developments and their implications for the business operations.

Political Stability

The completion of the second term of President Muhammadu Buhari, marked a critical transition period for Nigeria. The general elections of 2023, were a testament to the country's commitment to democratic governance and the peaceful transition of power. This political stability was instrumental to creating a conducive business environment for the Company and enhancing investor confidence in Nigeria.

Regulatory Environment

The passage of the Petroleum Industry Bill (PIB) in 2023 was a significant milestone for the downstream oil and gas sector in Nigeria. The PIB aims to modernize the regulatory framework governing the industry and promoting transparency and accountability. The regulatory framework is expected to attract investment and drive growth in the sector; a positive outlook for the business operations.

Security Concerns

Despite advances in political and regulatory reforms, security remains a significant concern nationwide. The actions of terrorists and kidnappers have been major impediments to economic progress and prosperity and this directly impacted the business operations in 2023. While government has initiated measures to tackle these security challenges, further efforts are required for the safety of the Company facilities and personnel.

Socio-political Activities

Beyond political and regulatory reforms, Nigeria witnessed other socio-political activities in 2023. The country continued to grapple with issues of corruption, infrastructure development and social inequality. These issues have implications for the MRS operations, as they impact the overall business environment and consumer behaviour.

Government's efforts to address these challenges through various initiatives and reforms are commendable. However, more needs to be done to create an enabling environment for businesses to thrive. As a responsible corporate citizen, MRS is committed to supporting government efforts to promote socio-political stability and economic development in Nigeria.

Gentlemen and ladies, the political environment in the country in 2023, was characterized by progress and challenges. The peaceful transition of power, the passage of the PIB and recurrent efforts to address security concerns are positive developments that bode well, for the future of the country. As MRS navigates these challenges, the commitment to operating responsibly and contributing to the sustainable development of Nigeria's oil and gas sector, will be maintained.

THE OIL AND GAS INDUSTRY: A GLOBAL PERSPECTIVE

Esteemed Shareholders, it is essential to reflect on the global dynamics that have shaped the oil and gas industry in 2023. The global oil and gas sector experienced significant shifts and challenges, impacting the business operations and strategic outlook.

Global Oil Demand and Supply

In 2023, the global oil market witnessed fluctuations in demand and supply, due to a variety of factors. The recovery from the COVID-19 pandemic continued to influence oil consumption patterns, with demand varying across regions. While demand showed signs of recovery in the first half of the year, geopolitical tensions and supply disruptions in key oil-producing regions, such as the Middle East and Russia, led to volatility in oil prices.

The Russia-Ukraine conflict further exacerbated supply concerns and led to disruptions in oil supply chains and increased market uncertainty. These challenges highlighted the importance of diversifying energy sources and reducing dependence on volatile regions for oil supply.

Renewable Energy and Sustainability

The global push for renewable energy and sustainability continued to impact the oil and gas industry in 2023. Countries around the world intensified their efforts to reduce carbon emissions and transition to cleaner energy sources, leading to increased investment in renewable energy projects.

The transition to renewable energy sources has significant implications for the future of the oil and gas industry; it poses challenges to traditional business models and demands greater focus on environmental sustainability. As a company, MRS recognized the importance of adapting to these changing dynamics and explored opportunities to diversify the energy portfolio and embrace sustainable practices.

Technology and Innovation

Advancements in technology continued to drive innovation in the oil and gas industry in 2023. Digitalization, automation and artificial intelligence (AI) are transforming operations, improving efficiency and reducing costs. These technological advancements enable companies to optimize production processes, enhance safety standards and minimize environmental impact.

As a forward-thinking company, MRS leverages on these technological advancements to enhance its operations and remain competitive, in the evolving global energy landscape.

The global oil and gas industry experienced significant challenges and transformations in 2023. The sector continues to navigate uncertainties which arose from geopolitical tensions, supply disruptions and the transition to renewable energy sources. It is imperative for the Company to remain agile, innovative and responsive to these changing dynamics as it looks ahead to the future. By embracing sustainability, investing in technology and adapting to evolving market conditions, MRS remains confident in its ability to navigate these challenges and achieve sustainable growth.

THE OIL AND GAS INDUSTRY: A DOMESTIC PERSPECTIVE

The Nigerian Downstream Oil and Gas industry is pivotal to the country's economy, given the significance of fossil fuels in powering transportation and various machines across multiple sectors. The industry has experienced substantial growth, with an annual growth rate of 5% over the last five years; driven by the country's growing population of 2.4% in the last 5 years and rising energy demand.

However, the global supply disruptions caused by the Russia-Ukraine war, led to elevated oil prices, which impacted the industry. Additionally, the removal of petrol subsidies in Nigeria resulted in a surge in pump prices to a current average of 568/liter from 185/liter; this is expected to lower demand from low and middle-income households in the short to medium term. Nonetheless, the discontinuation of the subsidy regime in June 2023, is considered as a positive game-changer for the Nigerian economy; estimated to save the government at least 6 trillion annually and allow for full deregulation of the oil and gas downstream sector.

In spite of these challenges, the industry has faced issues such as volatile oil prices, pipeline vandalism, crude oil theft, disruptions in oil supplies and non-functional refineries which hampered its growth potential. However, the promise of the 650,000 barrels per day Dangote refinery in Lagos, the 200,000 barrels per day BUA refinery in Akwa Ibom and other state-owned refineries with a combined refining capacity of 445,000 barrels per day suggests that Nigeria may soon come to the end of the era of importing refined oil and enjoy a more stable supply of refined oil. Additionally, new terminal facilities and regulations by the NMDRPA are expected to propel the industry forward.

I raise my face up to say that the Nigerian Downstream Oil and Gas industry is poised for growth, despite the ongoing challenges. In MRS, we remain committed to navigating these challenges and capitalizing on the opportunities that lie ahead.

THE COMPANY

As the Chairman of this great Company, I am extremely proud to lead, a Company that stands as a pillar of excellence in the Nigerian oil industry. MRS, is a fully integrated and highly skilled downstream player, holding leading positions in various sectors of the Nigerian oil industry.

MRS is not just a major player in the indigenous petroleum product marketing industry, but is a preferred manufacturer of premium lubricating oils and greases. The distribution channels, of the Company are dedicated to the sale of petroleum products and are strategically spread across indigenous retail outlets within the Nigerian market.

The MRS brand is the bed rock of all the Company's endeavours, both present and future. MRS is committed to operational excellence, resource optimization for high quality energy products and related services. This commitment extends to the MRS clientele, both locally and globally, who rely on the Company for sustainable energy solutions.

The Company remains steadfast in its commitment to excellence, innovation and sustainability. MRS is dedicated to the energy needs of its customers and to contributing to the growth and development of Nigeria's oil industry.

Employee Engagement

MRS Oil Nigeria Plc cultivates a culture of wellbeing, empowering employees in health and safety initiatives, fostering a collective accountability for safety through regular briefings, orientations, feedback sessions and open communication channels.

Incident-Free Performance

Through augmented training, enhanced safety procedures, operational controls and proactive risk mitigation measures, the Company achieved a flawless safety record in 2023, resulting in zero work-related injuries or regulatory penalties and enhanced productivity.

ISO 45001:2018 Certification

In 2023, MRS began the ISO 45001:2018 certification process with the Quality Assurance Quality Control (QAQC) team. A comprehensive diagnostic analysis, internal assessments were conducted leading to the successful completion of stage 1 of the external audit. This prepared the Company's operational framework for the final audit stage in February 2024. MRS has now achieved ISO 45001:2018 certification and has been recertified, ISO 9001:2015 standards.

Safety Awareness Program

The Company's safety awareness program has been instrumental in promoting a safety-conscious culture, with all employees actively participating. This has significantly improved compliance in various workstations and activities and has contributed to the overall safety and wellbeing of every employee. This program emphasizes proactive measures in safety concerns.

Fire Safety Training

MRS successfully nominated and trained employees, as fire safety champions for the Company. Fire Safety training has equipped these individuals with the knowledge and skills to proactively ensure a culture of fire prevention, detection and suppression techniques.

Commitment to Wellbeing and Sustainability

The Company's commitment to employee wellbeing, safety and environmental sustainability remains steadfast. MRS will continue to prioritize the health and safety of its employees, protect the Company's assets and uphold environmental standards for sustainable operations.

FINANCIAL RESULTS

I am delighted to present the detailed analysis of the revenue figures of the Company for the year 2023, which showcases the remarkable growth and resilience of MRS Oil Nigeria Plc. Throughout the year, the strategic initiatives and commitment to excellence of the Company, drove the financial performance to new heights.

Quarter 1 (Q1):

In Q1 of 2023, the revenue reached NGN31 billion, showing a significant increase from NGN18 billion in Q1 2022, representing a growth rate of approximately 72.2%. This strong start to the year was driven by a robust demand for our products and effective cost management strategies.

Quarter 2 (Q2):

Q2 of 2023 saw the revenue dip slightly to NGN29 billion, when compared to NGN31 billion in Q1 2023. Despite this slight decrease, the revenue for Q2 2023 remained strong, reflecting the resilience of the business model and the effectiveness of the operations.

Quarter 3 (Q3):

Our revenue for Q3 2023 increased to NGN41 billion, up from NGN26 billion in Q3 2022, representing a remarkable growth rate of approximately 57.7%. This impressive growth was driven by increased market penetration and the successful implementation of the marketing strategies.

Quarter 4 (Q4):

In Q4 of 2023, the revenue surged to NGN81 billion, compared to NGN32 billion in Q4 2022, indicating a substantial growth rate of approximately 153.1%. This exceptional performance in Q4 2023 can be attributed to a combination of factors, including increased consumer spending and the successful execution of the business expansion plans.

Annual Growth:

Overall, the Company's revenue for the year 2023 amounted to NGN182 billion, representing a significant increase from NGN101 billion in 2022, indicating an impressive growth rate of over 80.2%. This remarkable growth underscores MRS's commitment to delivering value to its shareholders and customers.

Looking ahead to 2024, MRS Oil Nigeria Plc remains confident that it will continue to enhance its performance. The removal of fuel subsidy presents new opportunities for growth and MRS has implemented strategic initiatives to capitalize on the opportunity. We remain committed to delivering value to shareholders and customers; we are excited about the prospects ahead.

DIVIDEND

On March 27, 2024, the Board of Directors approved a dividend payment of 236 kobo per 50 kobo to the Company's members. The dividend will be distributed to all members listed in the register of members at the close of business between July 1, 2024 and July 5, 2024.

Once approved and declared by the members at the Annual General Meeting, shareholders' accounts will be credited directly on August 2, 2024, to those listed in the Company's Register of Members at the close of business on June 28, 2024. This dividend declaration, pending shareholders approval, reflects the Company's strong performance in 2023. It demonstrates a commitment to delivering value to shareholders and underscores the resilience and profitability of operations over the past years.

2024 OUTLOOK IN THE GLOBAL MARKET

As we look into the global petroleum sector for 2024, it is evident that several key disruptors are reshaping the energy landscape. These include geopolitics, economics, regulations and technology, all of which influence the downstream petroleum sector globally. One significant trend is the decline in global refinery capacity, which has decreased by 4.5 million barrels per day (mbpd) since 2019. Factors contributing to this decline include the impacts of the COVID-19 pandemic, hurricane damages, weaker future demand forecasts, high operational costs and conversions to produce more renewable fuels.

Major Global Headwinds

- **Geopolitical Uncertainties:** Ongoing geopolitical tensions, such as conflicts in the Middle East and Russia-Ukraine tensions, continue to pose risks to global oil prices and supply. Any escalation of these conflicts could lead to supply disruptions and price volatility in the downstream oil and gas sector.

- **Economic Slowdown:** Global economic uncertainties, including trade disputes and inflationary pressures, could impact energy demand and result in a slowdown in the downstream oil and gas sector's growth.

- **Regulatory Changes:** Increasing regulatory requirements, particularly related to environmental standards and carbon emissions, drive the shift towards low-carbon fuel alternatives. These regulatory changes could impact the profitability and operations of traditional downstream oil and gas companies.

- **Technological Disruption:** Advancements in technology, such as electric vehicles (EVs) and renewable energy sources, are changing the dynamics of the energy industry. Downstream oil and gas companies need to adapt to these technological changes to remain competitive.

The refining industry is at a pivotal moment, focusing on producing and bringing new products to the market, to offset the expected longer-term decline in transport demand for fossil fuels. This shift towards a more customer-centric or end-market-oriented approach, drives the adoption of low-carbon fuel alternatives, such as biofuels and hydrogen, alongside a redesigned forecourt experience to cater to evolving fuel mix and customer preferences.

Global oil demand is projected to slow down in the long term, rising annually by only 0.4 mbpd until 2027, compared to 1.6 mbpd until 2023. In contrast, global biofuels demand is expected to rise by 44% between 2022 and 2027 as it increasingly substitutes for petroleum-based products. Additionally, the share of electric vehicles (EVs) in global car sales is expected to range between 62% and 86% by 2030, prompting global automakers to reorient their product portfolios towards electrification.

The gap between rising low-carbon fuel alternatives and slowing but still positive oil demand expansion, presents an opportunity for refiners to plan the transition process, without risking financial stability. Refiners can play a transformative role by crafting strategic pathways and cultivating new capabilities in areas such as biofuels, hydrogen and ammonia, EVs, chemicals and carbon capture, usage and storage (CCUS).

Downstream players that adapt their strategies in alignment with evolving demand trends and prioritize the security of the supply chain are poised for success in the energy transition. MRS remains committed to embracing these trends and leveraging new opportunities to drive sustainable growth and deliver value to its shareholders and customers.

2024 OUTLOOK IN DOMESTIC MARKET

As we look ahead to 2024, I am pleased to present an overview of the outlook for the domestic market, with particular emphasis on the downstream oil and gas sector in Nigeria.

The Domestic Economy 2024: We anticipate a real GDP growth rate of 3.0% for 2024, driven by an expected increase in oil production and a more robust non-oil sector relative to 2023. The Central Bank of Nigeria (CBN) is expected to maintain a hawkish monetary policy, balancing liquidity and economic growth objectives. The Naira is likely to remain at ₦1,100/$1 due to growing demand amidst supply bottlenecks, with a re-emergence of the premium between official and parallel market rates. Inflation is expected to remain high in the short term but decline to 23% in second half of 2024, influenced by high energy prices, Naira depreciation, food insecurity and other structural issues. The unemployment level is expected to rise to 6% due to a challenging operating environment for businesses, limited credit market and exchange rate pressures.

Nigeria-IMF Outlook for 2024: The IMF forecasts a 3.1% growth for Nigeria in 2024, compared to 2.9% estimated growth for 2023. High inflation is believed to have led to weaker consumer demand, compounded by low crude oil production, fiscal pressures, muted foreign investment inflows, exchange rate pressures and volatility and many other downside risks. Inflation is expected to moderate to 23% for the year, lower than the 28.9% reported in November 2023.

Economic Policy Expectations: MRS anticipates a closely coordinated mix of fiscal, monetary, trade and FX policies in the near term to reduce inflation, win the confidence of the international investment community and achieve macroeconomic stabilization. To avoid a fiscal cliff, the government has implemented bold policies such as the removal of petrol subsidy and a shift towards a unified exchange rate and policies to grow tax revenue.

Major Headwinds- Domestic (Nigeria): Notwithstanding the positive outlook, there are several challenges that could impact the domestic oil and gas sector in Nigeria. These include security challenges, such as pipeline vandalism and oil theft, as well as regulatory uncertainties and infrastructure bottlenecks. These factors could hinder the growth of the sector and pose risks to investment.

Opportunities in 2024: In spite of the challenges, several opportunities exist across various sectors of the economy. In agriculture, opportunities lie in production, storage, processing, distribution and consumption value chains. In the energy sector, opportunities exist in gas production, petrochemicals and renewables.

The outlook for the domestic market in 2024 presents both challenges and opportunities. MRS is confident that with the strategic planning and execution, the Company is well-positioned to navigate these challenges and capitalize on the opportunities for growth and success in the year ahead.

CONCLUSION

Ladies and gentlemen, I end this speech by expressing my sincere appreciation to the esteemed shareholders, customers, employees and other stakeholders of the Company, for their unwavering support and commitment to MRS Oil Nigeria Plc. 2023, was a challenging yet rewarding year for The Company and I am very proud of the resilience and dedication demonstrated by the MRS team in the achievement of the strategic objectives. As the Company looks ahead to 2024, I am confident that MRS Oil Nigeria Plc will continue to thrive, driven by strong business fundamentals, strategic initiatives and commitment to excellence. Together, we will navigate the challenges and capitalize on the opportunities that lie ahead, ensure sustainable growth and value creation for all stakeholders.

Thank you for your continued trust and confidence in MRS Oil Nigeria Plc.

Mr. Patrice Alberti
Chairman


PREMIER MOTOR OIL
Mineral Engine Oil
SAE 40
4 LTR
MRS


e-FUEL
PETROL

MANAGING DIRECTOR'S STATEMENT

MRS OIL NIGERIA PLC

NTRODUCTION

It gives me great pleasure to welcome you to the 55th Annual General Meeting of MRS Oil Nigeria Plc (MRS), to present the Annual Report and Accounts for the Financial year ended 31st December, 2023. I extend my deep appreciation to Mr. Patrice Alberti, Chairman of the Board of Directors, the Board Members, Shareholders, Management Staff, and employees, for their diligence, support and unwavering commitment in 2023. Your contributions were instrumental to the outstanding performance during the year under review.

OPERATIONAL EFFICIENCY

Strategic Operational Activities in 2023: Reflecting on the previous year, 2023 was marked by strategic growth and operational excellence for the Company. Despite challenges from evolving market dynamics, MRS's commitment to innovation and customer satisfaction propelled the Company to achieve significant milestones. Here are some key strategic operational activities that shaped the business performance in 2023:

1. **Expansion of the Retail Networks:** We strategically expanded the Company Owned Retailer Operated (CORO) and Retailer Owned Retailer Operated (RORO) Outlets, enhancing market presence, strengthening the distribution network, and ensuring accessibility for customers.

2. **Renovation of Existing Outlets:** Major renovations were undertaken at some outlets across the North, West, and Eastern regions to enhance customer experience and preserve our brand image. These improvements boosted operational effectiveness and overall customer satisfaction.

3. **Closure of Underperforming Outlets:** To optimize resources, we strategically closed a few underperforming retail Outlets. This allowed us to reallocate resources to high-return Outlets, maximizing profitability. In 2024, we will continue this optimization strategy and earmark additional Outlets for closure.

4. **Promotional Activities:** To raise brand awareness, we executed a series of varied promotional activities throughout 2023. These efforts were strategically planned to increase brand visibility, drive sales, and improve customer engagement, strengthen brand loyalty and attract new customers.

Commitment to Health and Safety: In 2023, our dedication to the success of the Company was notably driven by a deliberate focus on safety and well-being. MRS reinforced its commitment to health and safety with the following initiatives:

- **Safety First Culture:** The Company's safety culture was fostered through regular toolbox training, inductions, and open communication.

- **Zero Incidents:** A zero-incident record was achieved through enhanced training, improved safety protocols and proactive risk identification measures.

- **ISO 45001 Implementation:** The second stage of the ISO implementation audit in February 2024 demonstrated our commitment to high safety standards.

- **Fire Warden Training:** Over 64 fire wardens were successfully trained to enhance fire prevention and safety measures.

The enhanced focus on health and safety in 2023 played a pivotal role in our impressive results. The ISO 45001 implementation and certification process demonstrates our dedication to high safety standards across all operations.

Technology and Innovation: To sustain an ever-evolving digital landscape, we prioritized regular upgrades to our information technology infrastructure. These upgrades improved internal communication and efficiency and, enhanced cybersecurity measures to ensure the safety of business operations and data:

1. **Microsoft Office 365 Platform Expansion:** The expansion of license coverage and upgrade of the centralized Microsoft Office 365 platform to further improve communications within the Company.

2. **IT Helpdesk Platform Upgrade:** The upgrade of web-based IT helpdesk platform to manage all support requests, critically improving the efficiency of the IT department and enabling prompt and efficient resolution of user IT problems.

3. **Veeam Enterprise Backup Solution Expansion:** The expansion of Veeam enterprise backup solution from 10 to 16 instances and integration with Microsoft O365 Backup to effectively protect all corporate data and reduce recovery and compliance risk.

These upgrades reflect our commitment to maintaining a secure and efficient IT infrastructure, supporting our operations and enhancing service delivery.

OUR COMPANY

Who Are We: MRS Oil Nigeria Plc is a leading, fully integrated downstream player in the Nigerian Oil and Gas industry. As the supplier of choice to our esteemed customers, our reliability, agility, flexibility, adaptability, and excellence in service offerings, set us apart in the industry.

What We Do: MRS has a well-chosen and diversified product portfolio under the fuel and lubricant product lines, designed to meet customers' needs. As one of the largest marketers of refined products in Nigeria, MRS specializes in providing quality gasoline, marine and aviation fuels. The Company's proprietary blending formula and state-of-the-art research and development facilities ensure the supply of premium quality products to customers nationwide. MRS is dedicated to improving operating efficiencies in the downstream sector, maintaining an excellent track record and acquiring deep knowledge of the Nigerian downstream sector.

2023 FISCAL YEAR REVIEW

The Marketing Operations Review: In 2023, there were significant enhancements and strategic expansions which contributed to the impressive business operations performance. These initiatives aimed at expanding market reach and improving product visibility, thereby enhancing customer engagement:

1. **Expansion Strategies for Lubricants:**

   - Introduction of CRYSTAL GREASE TUBE 330G Carton: This new product in 2023 diversified our product portfolio and catered to specific customer needs, demonstrating the Company's commitment to providing innovative solutions and high-quality products.

   - **Warehouse Expansion:** The expansion of the Port Harcourt and Abuja warehouses, revamped dormant warehouses in Calabar and Ilorin and introduced new warehouses in Makurdi and Bauchi. These expansions ensured efficient distribution and availability of our lubricant products.

   - **Off-Forecourt Lubricant Sales:** A focused approach was implemented to boost lubricant sales on the forecourt and to improve access and visibility of our lubricants. This strategy led to increased sales and customer satisfaction.

   - **Mechanic Villages Lubricant Sales Campaign:** The lubricant sales campaigns targeted various mechanic villages, to strengthen ongoing relationships and create an avenue for product promotion and sales, within the Ladipo spare-parts market and ASPAMDA market

   - **Market Reach Expansion:** The induction of major distributors, continued penetrations into mechanic villages and spare part markets, significantly increased the Company's market reach.

   - **Salesmen Training:** The Company conducted industry-specific training for its salesmen, equipping them with the skills and knowledge to effectively promote and sell our lubricants.

   - **Credit and Discount Support:** To foster customer loyalty, MRS offered credit facilities to trustworthy customers with price incentives for competitive product pricing.

2. **Retail Outlets Expansion:**

   - **Reactivation of CORO Retail Outlet:** Successfully reactivated previously inactive retail outlets, revitalizing MRS presence in key locations and contributing to overall market share and brand visibility.

   - **New RORO Retail Outlets:** To enhance the strategic expansion of the business presence into strategic locations, a few RORO Outlets were on boarded. This expansion significantly increased market reach and accessibility and allowed for the addition of new customer bases. As a result, a 33% growth in RORO expansion was recorded within the year.

SALES REVIEW

In 2023, the revenue from various products in the downstream sector of the Oil and Gas industry showed significant growth compared to 2022. This growth is a testament to the Company's commitment to excellence and innovation. Below is a comparison of the revenue by-products for 2023 and 2022:

SALES ANALUSIS BY PRODUCTS

Product	Year 2023	2022	Absolute Variance	Percentage Variance
	NGN' 0000	NGN' 0000		
Premium Motor Spirit (PMS)	161,741,912	85,840,319	75,901,593	88
Aviation Turbine Kerosine (ATK)	6,443,180	6,855,383	(412,203)	(6)
Automative Gas Oil (AGO)	9,370,205	4,001,527	5,368,678	134
Lubricants and Greases	4,497,626	3,853,069	644,557	17
Liquefied Petroleum Gas (LPG)	258,040	229,584	28,456	12
Total	**182,310,963**	**100,779,882**	**81,531,081**	

- **PMS:** The significant increase in revenue from PMS in 2023 can be attributed to increased demand and strategic market positioning. MRS capitalized on market trends and optimized distribution channels to achieve this growth.
- **ATK:** A slight decrease in ATK revenue was due to market fluctuations and competitive pricing. MRS will continue to implement strategies to improve sales and regain market share in this segment.
- **AGO:** Substantial growth in AGO revenue indicates a strong market presence through effective marketing strategies. The Company's focus on customer satisfaction and product quality contributed to positive results.
- **Lubricants and Greases:** The increase in revenue from lubricants and greases reflects the Company's focus on diversifying our product portfolio and meeting evolving customer needs. Innovative products and efficient distribution channels contributed to this growth.
- **LPG:** Increased demand and the Company's efforts in expanding market reach grew LPG revenue. MRS continuously improves its product portfolio, introducing innovative products and efficient distribution channels to meet customer needs.

Overall, revenue for 2023 compared to 2022 showed impressive growth of approximately 81%. This remarkable growth reflects the Company's dedication to excellence, customer satisfaction, and strategic market positioning.

FINANCIAL HIGHLIGHTS

As CEO, I am delighted to present the financial highlights and key ratios for the year 2023. Despite challenges faced by the global economy and the oil and gas industry, MRS delivered a strong performance, demonstrating resilience and adaptability in a dynamic market environment.

Focusing on operational excellence, strategic investments, and efficient cost management enabled MRS to achieve significant growth in key financial metrics. This report provides a detailed analysis of our performance, highlighting profitability, return on investment, cash flow, debt-to-equity ratio, and return on capital employed. I extend my gratitude to our dedicated employees, loyal customers, supportive shareholders and stakeholders for their continued trust and support. We remain committed to delivering value and sustainable growth for our shareholders while contributing to community development.

I trust this report will provide valuable insights into our financial performance and strategic direction, looking forward to building on achievements and creating long-term value for all stakeholders.

FINANCIAL HIGHLIGHTS

Descriptions	Year 2023	2022	Absolute Variance	Percentage Variance
	NGN' 0000	NGN' 0000		
Revenue	182,310,964	100,779,880	81,531,084	81
Gross profit	15,001,932	8,574,927	6,427,005	75
Operating profit	5,998,257	2,501,081	3,497,175	140
Net finance cost	(13,649)	(80,735)	(67,086)	(83)
Profit before taxation	5,984,608	2,420,346	3,564,260	147
Profit after tax	4,048,758	1,316,102	2,732,655	208%
Earnings (Loss) per share				
Non-current assets	20,313,220	15,815,991	4,497,226	28
Current assets	34,518,069	24,710,122	9,807,948	40
Total equity	22,611,232	18,499,446	4,111,785	22
Non-current liabilities	746,276	817,501	(71,226)	(9)
Current liabilities	31,473,781	21,209,166	10,264,615	48

Profitability

Ratio	2023	2022	Comments
Gross Profit Margin (%)	8	9	The gross profit margin remained stable at 8% in 2023 and 2022, indicating that the Company was able to maintain a consistent level of profitability on its sales.
Operating Profit Margin (%)	3	2	The operating profit margin improved from 2% in 2022 to 3% in 2023, demonstrating enhanced operational efficiency and cost management.
Net Profit Margin (%)	2	1	The net profit margin increased significantly from 1% in 2022 to 2% in 2023, indicating improved profitability and effective management of expenses.

Return On Investment

Ratio	2023	2022	Comments
Return on Assets (%)	7	3	The return on assets increased from 8% in 2022 to 23% in 2023, reflecting the Company's ability to generate more profit from its assets.
Return on Equity (%)	18	7	The return on equity increased from 7% in 2022 to 18% in 2023, indicating that the Company generated higher profits for its shareholders.

Cash Flow

Ratio	2023	2022	Comments
Operating Cash Flow Ratio	0.3	0.1	The operating cash flow ratio improved from 0.1 in 2022 to 0.3 in 2023, indicating that the Company was able to generate more cash from its operations to cover its current liabilities.

Ratio	2023	2022	Comments
Debt-to-Equity Ratio	1.4	1.2	The debt-to-equity ratio decreased from 1.2 in 2022 to 1.4 in 2023, indicating a lower level of debt relative to equity. This signifies improved financial health and reduced financial risk.

Return On Capital Employed

Ratio	2023	2022	Comments
Return on Capital Employed (%)	18	7	The return on capital employed increased from 7% in 2022 to 18% in 2023, indicating that the Company was able to generate higher returns from its capital investments.

2024 BUDGET

In 2023, the Company set ambitious targets to achieve a sales volume of 651 million litres, ₦127.87 billion in revenue, with a net profit of ₦1.01 billion. Despite the challenges in the year, I am pleased to report that the actual full-year performance in 2023 significantly surpassed the Plan. This achievement is a testament to the dedication and hard work of the MRS team.

Looking ahead to 2024, we anticipate that the deregulation and FX floating policies will continue to significantly impact the oil sector. The effects of these policies are visible in the post-deregulation performance from June to August. To navigate these challenges and achieve the 2024 targets, a set of well-thought-out strategies were developed.

Sales Volume and Revenue Targets for 2024:

For 2024, the targets set by the Company, aimed at a sales volume of 399.75 million litres, revenue of ₦238.22 billion and a net profit of ₦1.02 billion. These targets reflect MRS' commitment to sustainable growth and profitability in the year ahead.

Strategies for Achieving Our 2024 Targets:

Premium Motor Spirit (PMS):

- Strengthen the MRS-NNPC/PPMC relationship for effective supply.
- Alliance with the Management of Dangote Refinery.
- Increase renovations and reactivation of strategic CORO outlets nationwide.
- Effective housekeeping and maintenance at the outlets.
- Expand product offerings beyond fuel.

Automotive Gas Oil (AGO):

- Strengthen ongoing relationships with NNPC/PPMC.
- Engage and induct new customers, reliant on AGO.
- Direct sourcing of AGO for improved marketing.
- Invest in the RORO AGO retail network.

Aviation Turbine Kerosene (ATK):

- Implement aggressive marketing strategies.
- Ongoing engagements with international airlines.
- Maintain price flexibility in line with market dynamics.
- Ensure that daily stock levels are at its optimal.
- Reintroduction of Aviation Tarmac Sales.
- Implement strategic business decisions for improved efficiency.

Lubricants and Greases:

- Engagement of prospective customers.
- Conduct market storms and campaigns to improve business efficiency.
- Continuous employee training and ongoing communication of sales targets.
- Introduction of the business strategy on synthetic oils and grease.

- Creation of strong brand presence to enhance competitive marketing.
- Ensure constant product supply for improved market share.

Liquefied Petroleum Gas (LPG):

- Induction of high-volume or bulk buyers.
- Expansion of LPG sales nationwide.
- Increased installation of LPG skid tanks at strategic locations with steel and composite cylinders.
- Reactivation of the Warri and Kano gas plant.
- Efficient and consistent product supply for customers.

I have no doubt that with the implementation of these strategies and the dedication of the MRS team, the 2024 targets will be achieved to deliver value to all stakeholders.

FORWARD-LOOKING STATEMENT

As the Company embarks on the journey into 2024, I am excited to share the MRS vision and plans for the year ahead. Building on the successes of 2023, I am confident that MRS will continue to thrive and achieve new milestones in 2024.

Market Dynamics and Strategies: The global oil and gas sector is expected to continue experiencing volatility in 2024, influenced by factors such as geopolitical tensions, economic uncertainties, and regulatory changes. In Nigeria, the deregulation and FX floating policies will continue to impact the industry, requiring MRS to remain agile and proactive in its approach.

Revenue and Profitability Targets: The 2024 budget reflects the MRS commitment to sustainable growth and profitability. The set targets albeit ambitious, aims at a sales volume of 399.75 million litres, revenue of ₦238.22 billion and a net profit of ₦1.02 billion. These targets are based on the strategic market positioning, operational efficiency and customer-focused approach of MRS.

Operational Efficiency and Expansion: To achieve the businesstargets, several key strategies have been outlined. The Company will focus on strengthening the relationships with its key stakeholders, optimizing the retail networks and expanding product offerings. Additionally, we will continue to invest in technology and innovation for operational efficiency and customer experience.

Health, Safety, and Environmental Sustainability: At MRS, we are committed to the highest standards of health, safety and environmental sustainability. We will continue to prioritize the well-being of the employees, customers and communities, while ensuring responsible and sustainable business practices.

Going by the dedication of the MRS team, the support of all its stakeholders and the resilience of the business model, MRS will achieve its 2024 goals and continue to deliver value to all stakeholders.

CONCLUSION

In conclusion, 2023 was a remarkable year for MRS, characterized by strategic growth, operational excellence and a strong commitment to innovation and customer satisfaction. Inspite of the challenges posed by the evolving market dynamics, the unwavering dedication and focus on efficiency and sustainability have positioned the MRS team for continued success in the years ahead.

As we look forward to 2024, we are confident that the robust strategies, coupled with the dedication of the MRS team, the support of the shareholders and stakeholders, will enable the Company achieve set targets and drive sustainable growth and profitability.

Vote of Thanks:

On behalf of MRS, I extend my heartfelt appreciation to Mr. Patrice Alberti, Chairman of the Board of Directors, the Board Members, Shareholders, Management Staff and Employees for their unwavering commitment, diligence and support throughout 2023. Your dedication and hard work have been instrumental to the MRS success; As a Company, MRS and its team will strive to achieve even greater milestones together, in the future.

I would also like to thank our esteemed customers, suppliers, regulatory authorities and other stakeholders for their continued trust and support. Your partnership and collaboration with MRS are invaluable; we remain committed to excellent delivery and value creation.

In closing, I am confident that with the collective efforts and commitment, MRS will continue to be a leading player in the Nigerian Oil and Gas industry, driving innovation, sustainability and growth for the benefit of all stakeholders.

Mr. Marco Storari
Managing Director

2023 BOARD OF DIRECTORS

MR. PATRICE ALBERTI
Chairman

MR. MARCO STORARI
Managing Director

MS. AMINA MAINA
Director

MR. MATTHEW AKINLADE
Independent Director

SIR SUNDAY NNAMDI NWOSU (KSS)
Director

DR. AMOBI DANIEL NWOKAFOR
Director

MRS. PRISCILLA OGWEMOH
Director

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

PROFILE OF BOARD OF DIRECTORS

MR. PATRICE ALBERTI
Chairman

Mr. Alberti holds a bachelor's degree in economics from the Paris Academy and has been with the MRS Group since 2004. He is currently the Group Vice Chairman of MRS Group of Companies and a Director on the Board of Corlay Global S.A.

Prior to joining MRS Group, he held a number of positions over a period of 20 years in various banks in Europe namely: BNP Paribas, Paribas, Banque Arabe Internationale D'Investitsment, Banco Central SA, to mention a few.

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

MR. MARCO STORARI
Managing Director

Mr. Storari is a seasoned leader with over three (3) decades experience in shipping, trading and the management of terminal operations in the industry. He has held various high-level positions where he recorded business successes from Companies in Italy, Monaco and Nigeria.

Until his appointment as Director and Managing Director, he was the Group Executive Director (Storage and Terminal) of MRS Holdings Limited.

He has been a driving force in the transformation of the MRS Group over the last ten years.

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

MS. AMINA MAINA
Director

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

Prior to joining the MRS Group, she was an Executive Director/ Vice President of Energy Solutions Integrated Services Limited, Junior Crude Oil Trader at Aurora Energy Trading Limited, to mention a few.

She was appointed on the Board of the Company on November 6, 2013. In January 2024, Ms. Maina was appointed by President Bola Ahmed Tinubu as an Independent Member of the Midstream and Downstream Gas Infrastructure Fund (MGDIF), a position she currently holds till date.

MR. MATTHEW AKINLADE
Independent Director

Mr. Akinlade (FCA) started his accounting career about 44 years ago. He is an experienced and seasoned professional of the accounting profession and has experience spanning the manufacturing and engineering industries.

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

He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), a Member of the Chartered Institute of Taxation of Nigeria (CITN) and a Fellow of the Chartered Institute of Management Accountants (FCMA), U.K. He is also a member of the Institute of Directors. Mr. Akinlade (FCA) was appointed on April 27, 2017 and was re-designated to the Board as Independent Director on October 26, 2017.

SIR SUNDAY NNAMDI NWOSU (KSS)
Director

Sir Nwosu, KSS, GCOA, F.IOD, is the founder and former National Coordinator of the Independent Shareholders Association of Nigeria (ISAN). He is a Fellow of the Institute of Directors, member of the Security and Exchange Commission, Rule/ Legislation Committee and the current President of the Boys Brigade of Nigeria.

He has several years of private work experience, and he is a major player in the Nigerian Capital Market. Sir Nwosu (KSS) is the Chairman of R. T Briscoe Plc and currently serves on the Board of Kajola Integrated Investments Plc, Obuchi Limited and Sunnaco Nigeria Limited. He is also on the committees of several listed companies in Nigeria.

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

DR. AMOBI DANIEL NWOKAFOR
Director

Dr. Nwokafor (FCA) is a seasoned professional accountant with over 31 years of work experience in the accounting profession. Dr. Nwokafor (FCA) holds a B.Sc. from the University of Nigeria, Enugu Campus and Masters in Banking and Finance from the Delta State University, Abraka.

He is the managing partner of Amobi Nwokafor & Co and he is a member of the Institute of Directors, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), a Fellow of Chartered Institute of Taxation of Nigeria (CITN) and a member of the Chartered Institute of Arbitrators (ACIArb), to mention a few.

He has several years of work experience in private practice and has worked in several insurance firms. He rose to the position of Assistant General Manager and Head of Finance and Accounts, in International Standard Insurers Limited, before he resigned to manage his auditing firm in 1998.

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

PROFILE OF BOARD OF DIRECTORS

MRS. PRISCILLA OGWEMOH
Director

Mrs. Ogwemoh is currently the Managing Partner of the law firm of Kevin Martin Ogwemoh Legal. She is a graduate of Law from Ahmadu Bello University, and she holds a Master's Degree in Law.

Mrs. Ogwemoh is a Fellow of the Nigeria Institute of Chartered Arbitrators of Nigeria, a CEDR-UK Accredited Mediator, a Member of the Panel of Neutrals, Lagos Multi Door Court House (LMDC), a Member of the Panel of Neutral Lagos Court of Arbitration (LCA), a Council Member, Nigerian Bar Association-Section on Business Law (NBA-SBL), the Chairperson of the Chartered Institute of Arbitrators (Nigeria) Maritime Committee.

With over 32 years' experience in Legal Practice, Mrs. Ogwemoh serves on the Board of a few companies, and she carries out multilevel tasks in branding, marketing, management and professional services.

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

DIRECTORS' REPORT

FOR THE YEAR ENDED
31 DECEMBER 2023

The Directors present their Annual Report on the state of affairs of the Company, together with the Audited Financial Statements for the year ended 31 December 2023.

Incorporation and Legal Status of the Company

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

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

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

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

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

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

On 20th of March 2009, there was an acquisition of Chevron Africa Holdings Limited, (a Bermudian

Company) by Corlay Global S.A. of Moffson Building, East 54th Street, Panama, Republic of Panama. By virtue of this foreign transaction, Chevron Nigeria Holdings Limited, Bermuda changed its name to MRS Africa Holdings Limited, Bermuda. The new Management of the Company announced a change of name of the Company from Chevron Oil Nigeria Plc to MRS Oil Nigeria Plc ("MRS") effective December 2, 2009 following the ratification of the name change of the Company at the 40th Annual General Meeting of the Company on 29 September 2009.

Currently, 342,884,706 shares are held by about 25,409 Nigerian shareholders and 1 foreign shareholder (MRS Africa Holdings Limited, Bermuda, a subsidiary of Corlay Global S.A.) in MRS Oil Nigeria Plc, a company with the main business of marketing and/or manufacturing of petroleum related products in Nigeria.

With about 81 active Company-owned operating outlets and about 97 third-party-owned operating outlets, MRS Oil Nigeria Plc is a major player in Nigeria's petroleum products marketing industry and a leading producer of quality lubricating oils and greases.

Principal Activities:

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

The Company's Result:

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

Year ended 31 December	2023 ₦'000	2022 ₦'000
Revenue	182,310,963	100,779,880
Cost of sales	(167,309,031)	(92,204,953)
Tax charge	(1,935,850)	(1,104,244)
Profit for the year	4,048,758	1,316,102
Proposed Dividend for the Year	809,752	-
Proposed Dividend per 50k share (Naira	2.36	-
Earnings Per 50k Share (Naira)	11.81	3.84
Net Assets per 50k Share	65.94	53.95

Dividend Payment:

The Board of Directors, pursuant to Section 426 of the Companies and Allied Matters Act, 2020 (CAMA), hereby recommend to Members the payment of a final dividend of ₦2.36 kobo per ordinary shares of 50kobo each. The dividend is subject to deduction of withholding tax at the applicable rate at the time of payment. The proposed dividend will be presented to Members of the Company for approval at the Annual General Meeting.

Board Changes:

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

Board Induction:

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

Election/Re-election of Directors:

In accordance with Articles 90/91 of the Company's Article of Association, Mrs. Priscilla Ogwemoh and Dr. Amobi Nwokafor who are retiring by rotation offer themselves for re-election.

The Directors:

The Directors in office during the year are listed below and except where stated, served on the Board in 2023:

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

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

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by the Directors for the purpose of Sections 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Exchange Limited are as follows:

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

Name	2023	2022
Mr. Patrice Alberti (indirect holdings)	205,730,806	205,730,806
Ms. Amina Maina	37,278	37,278
Sir Sunday Nnamdi Nwosu (KSS)	5,914	7,088
Mr. Matthew Akinlade	642	642

Directors' Interest in Contracts:

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

Significant Shareholders:

According to the Register of Members as at 31 December 2023, the following Shareholders of the Company hold more than 5% of the issued ordinary share capital of the Company:

	2023		2022	
Name	Unit	Percentage %	Unit	Percentage %
MRS Africa Holdings Limited	205,730,806	60%	205,730,806	60%
First Nominee/Asset Management Corporation of Nigeria MAI	35,909,817	10.47%	35,909,817	10.47%

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

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

Analysis of Shareholding:
According to the Register of Members at 31 December 2023, the spread of shareholding in the Company is presented below:

Number of holding			Number of shareholders	Number of shares held	Percentage of shareholding
1	-	1,000	12,924	4,368,580	1.27
1,001	-	5,000	8,512	18,971,089	5.53
5,001	-	10,000	2,510	15,468,564	4.51
10,001	-	50,000	1,246	23,316,135	6.80
50,001	-	100,000	115	7,688,145	2.24
100,001	-	500,000	84	16,589,626	4.84
500,001	-	1,000,000	11	6,847,941	2.00
1,000,001	-	10,000,000	5	7,994,003	2.33
1,000,0001	-	50,000,000	1	35,909,817	10.47
50,000,0001	-	342,884,706	1	205,730,806	60.00
Total			**25,409**	**342,884,706**	**100.00**

	No of Shareholders	Number of shares held	Percentage of shareholding
Local shareholders	24,955	159,893,500	40%
Foreign shareholder	1	182,991,206	60%
	25,409	**342,884,706**	**100%**

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

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

Employment Policy:
The Company creates a diverse and performing workforce through a fair and transparent employment process. As an equal opportunity employer, the Company continues to implement this policy through the recruitment of qualified, competent and skilled individuals.

Talents are selected through internally and externally sourcing. The recruitment procedure is objective and merit-based for identifying behavioural, mental fitness, competence and relevant experience for the role. There is no form of discrimination against job applicants on the basis of gender, race, ethnic origin, or religion. The Company adheres to all applicable laws regarding the employment of labour as well as international best practices.

Employee Wellness and Wellbeing:
In addition to traditional healthcare benefits, the concept of employee wellness and well-being encompasses a holistic approach of physical, mental and social aspects of an employee's life. The Company recognizes the importance of cultivating a healthy workforce and investments in comprehensive wellness programs to employee's general wellbeing.

- **Mental Health Support:**
  The Company identifies and acknowledges that issues of mental health concerns are crucial to employee wellbeing and has collaborated with wellness partners to continue to create awareness and encourage reporting through organize mental health sessions.

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

- **Work-Life Balance**:
  The remote work policy was introduced to provide necessary support to employees and minimize commuting time. All employees are required to fully utilize their vacation days and ensure adequate paid time off.

Wellness Initiatives Implemented in the Current Financial Year:

- To demonstrate the Company's commitment to the well-being of its employees, compulsory annual health checks were organized to promote a proactive approach to preventive healthcare.

- To ensure workplace safety, the Company implemented drug and alcohol testing as part of the internal policies to promote a drug-free culture in the workplace.

- In commemoration of the World Diabetes Day, employees were tested to educate them about their status and free consultations were conducted.

Employee Engagement Initiatives:

Quarterly town hall meetings, strategy sessions, onboarding feedback, buddy programmes, employee involvement in the decision making process, National day(s) recognitions, financial literacy sessions, team building and 360 feedback sessions, provide valuable input to the decision making process.

Employee Learning and Development:

In line with the Company's corporate values to continually develop employees to possess the necessary skills, competencies and values, various learning interventions were deployed. Employees were trained on key areas of business operations, leadership coaching, emergency evacuation (HSE), compliance evaluation in retrospective, corrosion and cathodic protection, cardio pulmonary resuscitation (CPR), domestic gas and gas infrastructure seminar and ISO 45001:2018 training. The training addressed technical and people development training objectives and the post-training feedback showed positive Return on Investment (ROI).

Professional Membership:

The Company continues to promote professional development of its employees to keep them abreast of new initiatives in the industry. Eligible employees attended the Mandatory Continuing Professional Education (MCPE) and annual Memberships were renewed for the following institutes: The Nigeria Bar Association (NBA), The Chartered Institute of Personnel Management (CIPM), The Council of Registered Engineers of Nigeria (COREN), Institute of Chartered Accountants of Nigeria) ICAN, The Chartered Governance Institute, UK and Ireland, formerly known as the Instituted of Chartered Secretaries and Administrator, amongst others.

In-House Training:

Employees were trained in-house on product knowledge, evolving processes, automation of the customized ERP portals and on quality management ISO 45001:2018 OHS-MS training.

Graduate Trainee Internship:

The internship program is an initiative, designed to develop and create a talent pool. It seeks to provide learning opportunities and practical work experience for fresh graduates, who develop necessary tools and experience while working in a corporate environment. Young graduates are provided with the opportunity to work with inspiring and experienced professionals, to build work-related skills. gain additional skills, build valuable networks and contacts for professional development.

Workforce Management:

As of December 31 2023, the Company's workforce was 80 (2022:88). The employees of the Company with a robust blend of gender, ethnicity and religious background, reflecting the Company's commitment to a diverse and inclusive culture in the workplace.

Health, Safety and Environment (HSE) Performances in 2023:

In 2023, employees remained committed to the success of MRS Oil Nigeria Plc. as operations had significantly improved in so many areas. This is a result of the Company's intentional efforts to ensure the safety of all employees, assets and the environment for greater productivity.

Team Involvement:
Employees were actively involved in Health and Safety activities through toolbox and feedback sessions, inductions amongst others to foster a culture of safety in the organization.

Accident-Free Record and Data:
Employees accomplished a zero-incident year in 2023 through a combination of enhanced safety trainings, improved safety protocols, work control procedures and proactive risk identification strategies.

ISO 45001 Implementation:
The implementation and certification of the Company, commenced in 2023; a comprehensive gap analysis, internal audit and ultimately stage-1 external Audit was conducted to guarantee the preparedness of the Company for the stage-2 Audit. The final certification process to the ISO 45001: 2018 criteria would be concluded in 2024.

Safety Culture Participation:
Employee participation in the safety culture, has contributed to the overall safety and well-being of every employee.

Fire Warden Training:
Sixty-four fire wardens were nominated and educated about their responsibilities to participate and foster a culture of fire prevention, detection and suppression techniques, in the event of a fire.

Information Technology Upgrades:
The Company is unwavering in its commitment to frequent enhancements to its information technology infrastructure nationwide.

In 2023, the following upgrades and improvements were implemented:

1. The upgrade of the centralized Microsoft Office 365 platform of the Company and expansion of the license coverage.

2. The upgrade to the web-based IT helpdesk platform; this has resulted in significant improvement to the IT department's productivity and effective tracking and resolution of IT user issues in a timely manner.

3. The integration with Microsoft O365 Backup and the expansion of the Veeam enterprise backup solution from 10 to 16; this lowers the risk associated with recovery and compliance as well as the effective protection of the Company's data.

Internal Audit Function and Internal Controls in 2023

There is an Internal Audit department of the Company, charged with the responsibility of effective risk management and internal controls. The Chief Internal Auditor has over 13 years of industry expertise in internal auditing; he is a Fellow of the Institute of Chartered Accountants of Nigeria and he works with an Audit team of Chartered Accountants with several years of experience.

On a regular basis, the internal audit team review the internal controls and evaluates its efficacy, efficiency and adequacy. The Audit Committee approves an Internal Audit Work Plan annually and the Reports of the Audit team quarterly.

A structured risk management framework was implemented to guide in the assessment of risks and all aspects of the business. In addition, the risk assessment process, identifies and captures areas of business risks with a view to implement measures to mitigate and address these risks.

The Directors are responsible for the risk management process and can assert on the effectiveness of the process. The risk management process reviews the day-to-day operations of the Company, identifies and mitigates major risks such as financial, procedural, reputational, operational and compliance risks.

The Company implemented Sections 60-63 of the Investments Securities Act 2007 (ISA 2007) in the financial year ended December 31, 2023. This Section of ISA requires public companies to adopt the Internal Control over Financial Reporting (ICFR), to promote governance through effective financial reporting.

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

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

Auditors:
In accordance with Section 401 (1) of the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2020 and SEC Code of Corporate Governance, the Board will propose a resolution at this Annual General Meeting (AGM), for the appointment of new External Auditors and determine their remuneration.

BY ORDER OF THE BOARD

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

March 27, 2024

CORPORATE GOVERNANCE **REPORT**

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

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

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

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

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

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

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

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

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

Board Meetings:
The Board meets at least four (4) times a year for regularly scheduled meetings to review the Company's operations and trading performance; to set and monitor strategies as well as consider new business options.

The Board also meets for unscheduled meetings, to attend to specific matters that require its attention.

Attendance at Board and Committee Meetings:

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

MRS Oil Nigeria Plc – 2023 Board Meetings:

Directors	Designation	29 Mar '23	27 April '23	27 July '23	3 Aug '23	4 Sept '23	12 Sept '23	26 Oct '23
Mr. Patrice Alberti	Chairman	√	√	√	√	√	√	√
Mr. Marco Storari	Managing Director	√	√	√	√	√	√	√
Ms. Amina Maina	Member	√	√	√	√	√	√	√
Mr. Matthew Akinlade	Member	√	√	√	√	√	√	√
Sir. Sunday N. Nwosu (KSS)	Member	√	√	√	√	√	√	x
Dr. Amobi D. Nwokafor	Member	√	√	√	√	√	√	√
Mrs. Priscilla Ogwemoh	Member	√	√	√	√	√	√	√

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

Board Performance Appraisal:

The Board did not take a formal evaluation of its performance in the year under review. A follow-up process exists for all matters of concern or potential improvement which may arise, when an evaluation process is carried out.

Sub Committees of the Board:

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

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

Sub Committees attendance in the year under review:

The Audit Committee:

Audit Committee Members	Designation	28 Mar '23	26 Apr '23	26 Jul '23	25 Oct '23	1 Nov '23
Mr. Emmanuel N. Okafor	Chairman	√	√	√	√	√
Ms. Amina Maina	Member	√	√	√	√	√
Mrs. Priscilla Ogwemoh	Member	√	√	√	√	√
Mr. Babajide A. Adetunji	Member	√	√	√	√	√
Mr. Oladimeji B. Adeleke	Member	√	√	√	√	√

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

On the invitation of the Chairman of the Audit Committee, representatives of Management and the External Auditors are invited to attend Committee meetings. The Audit Committee is responsible for the review of the quarterly and annual financial reports of the Company before the final approval of the Board. The Audit Committee also makes recommendations on the appointment of External Auditors and reviews the nature and scope of their work and makes recommendations on the Company's accounting procedures and internal controls.

In the year under review, the Audit Committee met five (5) times.

Board Nominations and Corporate Governance Committee Members	Designation	20 April '23	19 Oct '23	28 Nov '23
Sir Sunday N. Nwosu (KSS)	Chairman	√	√	√
Mr. Marco Storari	Member	√	√	√
Mr. Matthew Akinlade	Member	√	√	√
Dr. Amobi D. Nwokafor	Member	√	√	√
Mrs. Priscilla Ogwemoh	Member	√	√	√

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

In the year under review, the Board Nominations and Corporate Governance Committee met three (3) times.

The Risk, Strategic and Finance Planning Committee:

Risk, Strategic Planning and Finance Planning Committee Members	Designation	March 22 '23	Oct 19 '23
Ms. Amina Maina	Chairman	√	√
Mr. Marco Storari	Member	√	√
Mr. Matthew Akinlade	Member	√	√
Sir Sunday N. Nwosu (KSS)	Member	√	√
Dr. Amobi D. Nwokafor	Member	√	√

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

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

In the year under review, the Risk, Strategic and Finance Planning Committee met two (2) times.

The Human Resources Committee:

Human Resources Committee Members	Designation	19 Oct '23
Mr. Matthew Akinlade	Chairman	√
Mr. Marco Storari	Member	√
Ms. Amina Maina	Member	√
Sir Sunday N. Nwosu (KSS)	Member	X
Mrs. Priscilla Ogwemoh	Member	√

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

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

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

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

Shareholders Rights:

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

E Dividend:

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

Statement of Compliance:

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

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

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

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

Whistle Blowing:

The Company is committed to complying with all laws in Nigeria that are relevant to its operations. In line with the provisions of the Securities and Exchange Commission, Code of Corporate Governance and the Nigerian Code of Corporate

Governance, a Whistle Blowing Policy exists, for the reporting of serious, actual and suspected concerns of integrity and unethical behavior. An extract of this Policy can be found on the Company's website.

BY ORDER OF THE BOARD

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

March 27, 2024

REPORT
OF THE AUDIT COMMITTEE
For the year ended 31 December, 2023

TO THE MEMBERS OF MRS OIL NIGERIA PLC

In accordance with Section 404(4) of the Companies and Allied Matters Act, 2020, we the Members of the Audit Committee of MRS Oil Nigeria Plc, have reviewed the Audited Financial Statements of the Company for the year ended 31 December, 2023 and based on the documents and information available to us, report as follows:

(a) We ascertain that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;

(b) We have reviewed the scope and planning of the Audit requirements;

(c) We have reviewed the findings on management matters in conjunction with the External Auditor and departmental responses thereon;

(d) We have kept under review the effectiveness of the Company's system of accounting and internal control.

Members of the Audit Committee in 2023.

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

MR. EMMANUEL OKAFOR
Chairman, Audit Committee
FRC/2021/002/00000022583

March 27, 2024

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Independent Auditor's Report

To the Shareholders of MRS Oil Nigeria Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MRS Oil Nigeria Plc** set out on pages 55 to 114, which comprise the statement of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **MRS Oil Nigeria Plc** as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and Financial Reporting Council (Amendment} Act, 2023.

Basis for Opinion

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

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

Key Audit Matter

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

MAKING AN IMPACT THAT MATTERS since 1845

List of partners and partner equivalents available in our office
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment} Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements
In accordance with fifth schedule of the Companies and Allied Matters Act 2020, we expressly state that:

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

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

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

Abraham

Abraham Udenani, FCA - FRC/2013/PRO/ICAN/004/00000000853
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
28 March 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	31 Dec. 2023	31 Dec. 2022
		₦'000	₦'000
Revenues	5	182,310,963	100,779,880
Cost of sales	8	(167,309,031)	(92,204,953)
Gross profit		**15,001,932**	**8,574,927**
Other income	6	232,316	254,883
Administrative expenses	10a	(5,105,899)	(4,449,804)
Selling and distribution expenses	9	(716,854)	(908,282)
Net Foreign exchange loss	12a	(3,221,283)	(659,647)
Impairment loss on financial assets	30a	(191,955)	(310,996)
Operating profit		**5,998,257**	**2,501,081**
Finance income	11	122,493	24,950
Finance costs	11	(136,142)	(105,685)
Net finance costs	11	(13,649)	(80,735)
Profit before Taxation		**5,984,608**	**2,420,346**
Income tax expense	14b	(1,935,850)	(1,104,244)
Profit after tax		4,048,758	1,316,102
Other Comprehensive Income, net of income tax			
Total comprehensive income for the period		**4,048,758**	**1,316,102**
Earnings per share			
Basic and diluted earnings per share (Naira)	13	11.81	3.84

The accompanying notes on pages 60 to 114 form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2023

	Notes	31 Dec. 2023 '000	31 Dec. 2022 ₦'000
Assets			
Non-current assets			
Property, plant and equipment	15	19,420,838	14,977,955
Right of use assets	29(i)	664,579	838,031
Intangible assets	16	227,803	7
Total non-current assets		**20,313,220**	**15,815,993**
Current Assets			
Inventories	19	7,631,431	3,302,008
Withholding tax receivables	18	40,960	11,239
Prepayments	27	188,665	149,123
Trade and other receivables	17	20,749,480	18,031,306
Cash and cash equivalents	20	5,907,533	3,216,445
Total current assets		**34,518,069**	**24,710,121**
Total assets		**54,831,289**	**40,526,114**
Equity			
Share capital	21(a)	171,442	171,442
Retained earnings	21(b)	22,439,790	18,328,004
Total equity		**22,611,232**	**18,499,446**
Liabilities			
Non-current liabilities			
Employee benefit obligation	22(a)	8,523	9,085
Provisions	28	144,028	224,179
Lease liabilities	29(iii)	82,153	103,581
Deferred tax liabilities	14(e)	511,572	480,657
Total non-current liabilities		**746,276**	**817,502**
Current liabilities			
Contract liabilities	23	5,835,729	2,221,109
Dividend payable	24(b)	104,569	169,851
Trade and other payables	25	21,730,172	16,068,426
Short term borrowings	26	1,411,105	1,411,105
Lease liabilities	29(iii)	472,568	420,676
Tax payable	14(d)	1,919,638	917,999
Total current liabilities		**31,473,781**	**21,209,166**
Total liabilities		**32,220,057**	**22,026,668**
Total equity and liabilities		**54,831,289**	**40,526,114**

Approved by the Board of Directors on 27 March 2024 and signed on its behalf by:

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

Dr. Amobi D. Nwokafor
(Director)
FRC/2013/ICAN/000000002770

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

The accompanying notes on pages 60 to 114 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2023

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

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

Statement of Cash Flows

For the year ended 31 December 2023	Notes	31 Dec. 2023	31 Dec. 2022
		₦'000	₦'000
Cash flows from operating activities:			
Profit after tax		4,048,758	1,316,102
Adjustments for:			
Depreciation on PPE	15	700,597	608,771
Depreciation on Right of Use Assets	29(i)	135,940	98,604
Amortization of intangible assets	16	49,633	22
Finance income	11	(122,493)	(24,950)
Finance costs	11	136,142	105,685
(Gain)/loss on sale of property, plant and equipment	6,10	(22,761)	520,706
Loss on reversal of Expired ROU Asset		42,580	1,064
Net foreign exchange loss	10	3,221,283	659,647
(Reversal of)/provision for long service award	22(c)	(562)	3,215
Impairment/(reversal) of impairment loss on trade receivables	30(a)	527,189	(503,708)
Impairment of Petroleum Equalization Fund receivables	30(a)	19,370	500,000
(Reversal)/impairment of related party receivables	30(a)	(354,604)	314,704
Bad debt written off	10	-	4,403
(Reversal)/impairment of Inventory	19(a)	(110,611)	17,299
Taxation	14	1,935,850	1,104,244
		10,206,311	**4,725,808**
Changes in:			
- Inventories		(4,218,812)	(23,505)
- Trade and other receivables		(3,571,959)	(2,912,349)
- Prepayments		(39,543)	(92,709)
- Contract liability (Customer Advance received)		3,614,620	1,910,338
- Trade and other payables		2,154,678	(1,519,176)
Cash generated from operations		**8,145,295**	**2,088,407**
Income taxes paid	14(d)	(201,130)	(69,106)
Long service award paid	22(c)	-	(762)
Net cash generated from operating activities		**7,944,165**	**2,018,539**
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		37,094	108,784
Purchase of property, plant and equipment	15	(5,157,813)	(1,473,664)
Purchase of ROU assets	29(i)	(107,500)	-
Purchase of Intangible Assets	16	(277,429)	-
Proceeds from ROU terminated		-	5,358
Interest received	11	122,493	24,950
Net cash used for investing activities		**(5,383,155)**	**(1,334,572)**
Cash flows from financing activities:			
Additional short-term borrowings	26	235,548,091	34,533,787
Short-term borrowing repayment	26	(235,548,091)	(34,533,787)
Lease Payment	29(iii)	(40,500)	(11,000)
Dividends paid	24	(2,254)	-
Interest paid	11	(42,898)	(44,465)
Net cash used in financing activities		**(85,652)**	**(55,465)**
Net change in cash and cash equivalents		2,475,358	628,502
Cash and cash equivalents at 1 January		3,216,445	2,798,795
Effect of movements in exchange rates on cash held		215,730	(210,852)
Cash and cash equivalents at 31 December 2023	20	**5,907,533**	**3,216,445**

The accompanying notes on pages 60 to 114 form an integral part of these financial statements.

FINANCIAL STATEMENTS

Index to notes to the Financial Statements

For the year ended 31 December 2023

1. Reporting entity

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

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

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

The Company is domiciled in Nigeria and has its registered office address at: 2, Tincan Road Lagos Nigeria

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

2. Basis of preparation

a. Statement of compliance

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

b. Basis of measurement

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

c. Composition of Financial statements

The financial statements comprise:

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

Other national disclosures
i. Statement of Value Added
ii. Five-year Financial Summary.

d. Financial Period

These financial statements cover the period from 1 January 2023 to 31 December 2023 with comparative figures for the financial year from 1 January 2022 to 31 December 2022.

e. Functional and presentation currency

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

f. Significant changes in the current reporting year

The implementation of deregulation policy on Petroleum Motor Spirit (PMS) immediately after inauguration of the new government in Nigeria had significant impact on our industry. This product line alone contributed about 94% of total revenue of the company in the year. The policy significantly affected the working capital requirements of the company by more than 180% and consequently increased our finance cost on bank credit lines for product purchase. Subsequently, in the first three months immediately after the policy took effect, our sales volume decreased by about 40% compared to average monthly sales volume of the months before the policy. Also, due to the increase in the pump price resulting from the subsidy removal, our average monthly revenue value in the last three months of the year increased by about 200% comparatively with revenue performances before deregulation. Sales volume also improved in the last quarter of the year. This indicated that the market had gradually adjusted to the new reality. Despite this significant change in the industry, our business recorded above budget performance in the year.

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

g. Going Concern

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

3. Critical accounting judgement and key sources of estimating uncertainty

Use of judgements and estimates

In applying the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the year in which the estimates are revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future year.

Critical judgements in applying the Company's accounting policies

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

Key sources of estimation uncertainty

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

i. Recoverability of financial assets

Account receivables

The Company reviews all financial assets at least quarterly and when there is any indication that the asset might be impaired. The Company has applied the simplified approach in IFRS 9 to measure the loss allowance on receivables balance at lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company has recognized a loss allowance of 100% against all receivables over 365 days past due, because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting year. The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off are subject to enforcement activities. Trade receivables are considered to be past due when they exceed the credit period granted. Note 30 explains more about the impairment of financial assets.

ii. Provision for site decommissioning

In 2023, the Company reviews the provision on asset retirement obligation based on the current inflation rate of 28.2% and interest rate of 18.75% as at the end of the reporting period. In estimating the provision, the directors have made assumptions regarding the estimated costs of restoring the site based on currently available information about the likely extent of decommissioning liability. This has resulted to change in estimate and gave rise to reduction in carrying amount of right of use asset as well as asset retirement obligation amounting to NGN 127.4million (Note 28 & 29).

4. Accounting policies

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

A. Foreign currency transactions

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

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

B. Financial instruments

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

C. Recognition and initial measurement

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

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

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortized cost: The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow.

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and effective interest method
The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.
For financial assets other than purchasedor originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

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

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

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

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

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

Impairment of financial asset

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

A. Financial liabilities – Classification, subsequent measurement and gains and losses

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

B. Derecognition Financial assets

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

Financial liabilities

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

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

C. Offsetting

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

G. Property, plant and equipment

i. Recognition and measurement

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

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

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

ii. Subsequent expenditure

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

iii. Borrowing costs

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

iv. Depreciation

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

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in.

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

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

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

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

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

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

H. Intangible assets

i. Recognition and measurement

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

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

ii. Subsequent expenditure

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

iii. Amortization of intangible assets

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

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

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

I. Leases

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

i. As a lessee

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

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

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

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' in the statement of financial position.
The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

J. Inventories

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

The bases of costing inventories are as follows:

Product Type	Cost Basis
Refined petroleum products AGO, A T K , P M S , L P G , LPFO, Lubricants and greases	Weighted average cost

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

K. Cash and cash equivalents

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

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

L. Impairment

i. **Non derivative financial assets**

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

Objective evidence that financial assets maybe impaired includes

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;

  .the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets

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

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

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

ii. Non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

M. Employee benefits

i. Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

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

i. Other long-term employee benefits

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

ii. Terminal benefits

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

iii. Short term employee benefits

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

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

N. Provisions, Contingent Liabilities and Assets Provisions

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

Restoration provisions

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

Contingent liabilities

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

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

Contingent assets

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

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

O. Revenue

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

Revenue recognition depends on whether the customer took delivery of the products directly from our depot using their own delivery vehicles or whether the Company delivered to the customer using the third-party transporters. For the former, revenue is recognized when the customer picks up the products from the Company's depots and the latter, when delivery is made; the customer does the delivery confirmation on portal hence, revenue is recognized at that point in time.
If it is probable that discounts will be granted and the amount could be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

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

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

P. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- interest on lease liabilities Unwinding of the discount on provisions.

Interest income or expenses are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

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

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

Q. Income tax

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

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

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

iii. Minimum tax

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

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

R. Withholding tax receivables

Withholding taxes (WHT) are advance payments of income taxes deducted by the Company's customers at source upon payment. WHT receivables are measured at cost. The Company utilizes WHT credits against current tax liabilities.

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

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

S. Earnings per share (EPS)

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

T. Segment reporting

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

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

The Company has identified three operating segments which are:

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

U. Statement of cash flows

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

V. Joint arrangement

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

W. Share capital

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

5. New and amended IFRS standards

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

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

i. **IFRS 17 (Insurance Contracts including the June 2020 and December 2021 Amendments to IFRS 17)**

The company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

The Company does not have any contracts that meet the definition of an insurance contract under IFRS 17.

ii. **Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements)**
The Company has adopted the amendments to IAS 1 Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality judgement in the current year, which continues the IASB's clarifications on applying the concept of materiality. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

iii. **Definition of Accounting Estimates (Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)**
The company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

iv. **Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12, Income Taxes)**
The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

v. **Amendments to IAS 12 Income Taxes—International Tax Reform—Pillar Two Model Rules**
The company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, an entity is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

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

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

New standards/Amendments	Description	Effective Date
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	Lease Liability	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024

5 Revenue

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Premium Motor Spirit (PMS)	161,741,912	85,840,317
Automotive Gas Oil (AGO)	9,370,205	4,001,527
Aviation Turbine Kerosene (ATK)	6,443,180	6,855,383
Lubricants and Greases	4,497,626	3,853,069
Liquified Petroleum Gas (LPG)	258,040	229,584
	182,310,963	**100,779,880**

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

6 Other income

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Rental and lease income (Note 6(a))	5,558	29,829
Sundry income (Note 6(b))	109,510	159,512
Gain on sale of property, plant & equipment	22,761	-
Income on storage services	94,487	65,542
	232,316	**254,883**

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

b) Sundry income represents earnings from insurance claims recoveries, non-fuel revenues, recoveries from station uniform and other miscellaneous incomes.

7 Expenses by function

	31 Dec. 2023	31 Dec 2022
	'000	'000
Cost of sales (Note 8)	167,309,031	92,204,953
Selling and distribution expenses (Note 9)	716,854	908,282
Administrative expenses (Note 10)	8,327,182	5,109,451
	176,353,067	**98,222,686**

8 Cost of sales

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Premium Motor Spirit (PMS)	147,691,366	77,531,097
Automotive Gas Oil (AGO)	8,421,748	3,702,993
Aviation Turbine Kerosene (ATK)	6,086,420	6,139,809
Lubricants and greases	3,752,614	3,474,811
Liquified Petroleum Gas (LPG)	239,205	210,034
Freight expense	1,117,678	1,146,209
	167,309,031	**92,204,953**

9 Selling and distribution expenses

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Rental of service stations, buildings and equipment	269,356	217,358
Advertising-Selling & Distribution	27,969	48,211
Station running expenses	50,628	125,344
Amortization expenses on Right of use Assets (Note 29)	135,940	98,604
Other selling and Distribution expenses	232,962	418,765
	716,854	**908,282**

10 (a) Administration expenses

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Depreciation (Note 15(a))	700,597	608,771
Amortization of intangible assets (Note 16)	49,633	22
Fuel expenses for Office Generators & other admin use	651,735	451,736
Rental Other than service stations, buildings and equipment	15,806	-
Consultancy expense	169,953	195,353
Maintenance expense	116,842	190,312
Advertising expenses (Newspaper & Publications)	5,431	9,875
Management fees (Note 31 (c))	612,970	431,983
Directors' remuneration (Note 12(b)(iv))	17,270	15,730
Employee benefit expense (Note 12 (b)(i))	602,306	447,947
Bank Charges	110,827	137,124
Auditor's remuneration (Note 10(b))	58,050	37,625
Bad debt written off	-	4,403
Loss on sale of Property, plant and equipment	-	520,706
Loss on disposal of ROU asset	-	1,064
Local and international travel	68,771	26,697
Office expenses and supplies	440,303	289,054
Communication and postage	315,065	199,696
Insurance premium	200,534	117,918
Contract labour	676,338	554,097
Sponsorships and donations (Note 10(b))	349	244
Licenses and Levies	100,093	56,972
Utilities	20,306	21,533
Subscriptions	61,129	61,337
Board meetings and AGM expenses	68,813	37,054
Security	42,778	32,551
	5,105,899	**4,449,804**

(b) Non audit services paid to the statutory auditors

The company engaged the services of the statutory auditors for an attestation of the company's Internal Control Over Financial Reporting (ICFR) at the sum of N14 million which is included in the Auditor's remuneration in the current year. No other non-audit service was rendered.

(c) Sponsorships and donations are analyzed as follows:

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Nigerian Navy ship Beecroft Officer Mess Tombola night	349	-
Motor Mechs and Technician Associations of Nigeria	-	244
	349	**244**

11 Finance income and finance costs

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Finance income		
Interest income on short-term bank deposits	122,493	24,950
Total finance income	**122,493**	**24,950**
Finance cost arising from financial liabilities measured at amortized cost		
Interest expense	42,898	44,465
Finance costs others		
Unwind of discount on site restoration provision	39,564	5,371
Interest on lease liability ((Note 29(iii))	53,680	55,849
Total finance costs	136,142	105,685
Net finance costs	**13,649**	**80,735**

12 Profit before Taxation

		31 Dec. 2023	31 Dec. 2022
a)	**Profit before taxation is stated after charging/ (crediting):**	₦'000	₦'000
	Depreciation (Note 15)	700,597	608,771
	Amortization of intangible assets (Note 16)	49,633	22
	Management fees (Note 31(c))	612,970	431,983
	Director's remuneration (Note 12(b)(iv))	20,485	15,730
	Employee benefit expense (Note 12(b)(i))	602,306	447,947
	Auditor's remuneration	58,050	37,625
	Loss on sale of property, plant & equipment (Note 10)	-	520,706
	Impairment of petroleum equalization fund receivables (Note 30(a))	19,370	500,000
	(Reversal)/Impairment of related party receivables (Note 30a)	(354,604)	314,704
	Net movement of inventory write down	(110,611)	17,299
	Impairment/(Reversal) of impairment on trade receivables (Note 30a)	527,189	(503,708)
	Net foreign exchange loss (Note 10)	3,221,283	659,647

	31 Dec. 2023	31 Dec. 2022
Net foreign exchange loss is further broken down as follows:	₦'000	₦'000
(Gain)/loss on cash and bank balances	(215,730)	210,852
Loss on vendor balances	3,507,068	384,998
(Gain)/loss on customer balances	(70,055)	63,797
	3,221,283	**659,647**

b) Directors and employees

i) Employee costs during the year comprise:

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Salaries and wages	490,993	347,729
Other employee benefits	65,622	62,794
Employer's pension contribution	46,252	34,209
Other long term employee benefit charge	(562)	3,215
	602,306	**447,947**

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

ii)

	Number	Number
	31 Dec. 2023	31 Dec. 2022
Administration	32	31
Technical and production	5	11
Operations and distribution	25	27
Sales and marketing	18	19
	80	**88**

Higher-paid employees of the Company and other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration in excess of NGN1,000,000 (excluding pension contributions) in the following ranges:

iii)

	Number	
	31 Dec. 2023	31 Dec. 2022
₦	₦'000	₦'000
1,000,001 - 2,000,000	-	-
2,000,001 - 3,000,000	-	-
3,000,001 - 4,000,000	-	6
4,000,001 - 5,000,000	-	11
5,000,001 - 6,000,000	2	12
6,000,001 - 7,000,000	13	21
7,000,001 - 8,000,000	2	13
8,000,001 - 9,000,000	2	6
9,000,001 - 10,000,000	8	8
10,000,001 - Above	53	11
	80	**88**

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

iv)	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Fees	5,500	5,500
Other emoluments	11,770	10,230
	17,270	**15,730**
The Directors' remuneration shown above includes:		
Chairman	-	-
Highest paid director	**5,060**	**2,420**

The remunerations of three (3) directors in the range of NGN 7million and above (as shown below) are paid at the group level while other directors received emoluments in the following ranges:

	31 Dec. 2023	31 Dec. 2022
	Number	Number
1,000,001 - 2,000,000	-	2
2,000,001 - 3,000,000	-	2
3,000,001 - 4,000,000	1	-
4,000,001 - 5,000,000	2	-
5,000,001 - 6,000,000	1	-
6,000,001 - 7,000,000	-	-
7,000,001 and above	3	3
	7	**7**

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

a) Basic EPS	31 Dec. 2023	31 Dec. 2022
Earnings for the year attributable to shareholders (N'000)	4,048,758	1,316,102
Weighted average number of ordinary shares in issue	342,885	342,885
Basic earnings per share (N)	11.81	3.84

b) Diluted Earnings per share

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

c) **Dividend declared per share**

The directors have proposed a dividend of N2.36k per share for the year (2022: Nil) on 342,884,706 ordinary shares of 50 kobo each, being the ordinary shares in issue at the end of the year subject to approval of the shareholders at the Annual General Meeting.

14 Taxation

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

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

bi) The Company has applied the provisions of the Companies Income Tax Act that mandates a minimum tax assessment, where a qualifying taxpayer does not have a taxable profit which would generate an eventual tax liability when assessed to tax.

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

bii) Amounts recognized in profit or loss

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Current tax expense:	1,624,080	505,174
Income tax	229,713	112,242
Tertiary education tax	14,962	6,051
NASENI	299	121
Nigeria Police Trust Fund	35,880	-
Changes in estimate related to prior years	**1,904,934**	**623,587**
Deferred tax expense:		
Origination and reversal of temporary differences	30,916	480,657
Income tax expense	**1,935,850**	**1,104,244**

c) Reconciliation of effective tax rates

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

	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	%	%	₦'000	₦'000
Profit before tax			5,984,608	2,420,346
Income tax using the statutory tax rate	30.00	30.00	1,795,382	726,104
Impact of tertiary education tax	3.00	2.50	179,538	60,509
Impact of (NASENI)	0.25	0.25	14,962	6,051
Impact of minimum tax	0.50	0.50	29,923	12,102
Impact of Police Trust Fund	0.01	-	299	121
Effect of tax incentives	(22.66)	(27.80)	(1,356,049)	(672,808)
Non-deductible expenses	18.95	3.00	1,134,149	972,165
Difference in CIT rate and TET rate Changes in estimates related to prior years	0.50	2.59	29,923	-
	1.80	1.00	107,723	-
Total income tax expense in income statement	**32.35**	**12.04**	**1,935,850**	**1,104,244**

d) Movement in current tax liability

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at beginning of the year	917,999	363,517
Payments during the year	(201,130)	(69,106)
Current tax	1,869,054	623,588
Changes in the prior year estimate	35,880	-
Withholding tax credit notes utilized (Note 18)	(702,165)	-
	1,919,638	**917,999**

e) Recognized deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	1,633,409	1,449,372	1,633,409	1,449,372
Trade receivables	(884,862)	(918,124)	-	-	(884,862)	(918,124)
Inventories	(246)	-	-	-	(246)	-
Unrealized exchange loss	(172,820)	(152,567)	-	-	(172,820)	(152,567)
Intangible Asset	(16,379)	-	-	-	(16,379)	-
Provisions - ARO	(47,529)	-	-	-	(47,529)	-
Loss on ROU	-	-	-	101,976	-	101,976
	(1,121,836)	**(1,070,691)**	**1,633,409**	**1,551,348**	**511,572**	**480,657**

Movement in temporary differences during the period

	1 Jan 22	Recognised in Profit or loss	31 Dec 22	Recognised in Profit or loss	31 Dec 23
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	1,449,372	1,449,372	184,037	1,633,409
Trade receivables	-	(918,124)	(918,124)	33,262	(884,862)
Inventories	-	-	-	(246)	(246)
Provisions - ARO	-	-	-	(47,529)	(47,529)
Unrealized exchange loss	-	(152,567)	(152,567)	(20,253)	(172,820)
Intangible Assets	-	-	-	(16,379)	(16,379)
Loss on Right of Use Assets	-	101,976	101,976	(101,976)	-
	480,657	**480,657**	**30,915**	**511,572**	

15. Property, Plant, and Equipment

a) The movement on these accounts was as follows:

	Freehold Land	Building	Plant & Machinery	Automotive Equipment	Computer & Office Equipment	Furniture & Fittings	Capital Work in Progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost:								
Balance at 1st January 2022	8,088,835	6,692,497	10,341,382	1,270,229	939,161	218,729	477,514	28,028,347
Additions	9,905	259,038	376,680	265,145	66,568	28,384	467,944	1,473,664
Reclassification		6,017	-	-	-	-	(6,017)	-
Disposals	(271,620)	(458,566)	(247,367)	(96,356)	(14,710)	(1,391)		(1,090,010)
Balance as at 31st December 2022	7,827,120	6,498,986	10,470,695	1,439,018	991,019	245,722	939,441	28,412,001
Balance at 1st January 2023	7,827,120	6,498,986	10,470,695	1,439,018	991,019	245,722	939,441	28,412,001
Additions	151,767	543,940	676,901	12,000	655,686	24,329	3,093,190	5,157,813
Disposals	-	-	(102,039)	(30,188)	(4,778)	(4,156)	-	(141,161)
Balance as at 31 December 2023	7,978,887	7,042,926	11,045,557	1,420,830	1,641,927	265,895	4,032,631	33,428,653
Balance as at 1st January 2022		2,706,334	8,522,353	1,028,507	836,518	192,082		13,285,794
Charge for the year		250,341	275,670	43,084	31,124	8,553		608,772
Disposal		(178,864)	(175,094)	(91,538)	(13,692)	(1,332)		(460,520)
Balance as at 31st December 2022		2,777,811	8,622,929	980,053	853,950	199,303		13,434,046
Accumulated depreciation and impairment:								
Balance as at 1st January 2023		2,777,811	8,622,929	980,053	853,950	199,303		13,434,046
Charge for the year		257,007	249,318	55,960	123,080	15,232		700,597
Disposal		-	(90,512)	(28,678)	(3,655)	(3,983)		(126,828)
Balance as at 31 December 2023		3,034,818	8,781,735	1,007,335	973,375	210,552		14,007,815
Carrying amounts								
Balance as at 31 December 2023	7,978,887	4,008,108	2,263,822	413,495	668,552	55,343	4,032,631	19,420,838
Balance as at 31 December 2022	7,827,120	3,721,175	1,847,766	458,965	137,069	46,419	939,441	14,977,955

15 (b) Capital work in progress:

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

(c) Impairment assessment of cash generating unit

The Company assesses whether there are any possible indicators of impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date. Such indicators include changes in the Company's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure. At the end of the year, the Company's market capitalization exceeded its carrying amount of net assets by NGN16.35 which confirms that there is no indication for impairment. The Company has a single CGU, whose carrying amount is reflected in the net assets position.

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

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

Based on the above the directors have determined that the recoverable amount as at 31 December 2023 of the CGU is higher than the carrying amount, and accordingly no impairment of the CGU is required as at that date.

(d) Pledge as security

None of the company asset is pledged as security for loan or any facility.

e) Capital commitments

Capital expenditure commitments as at the year-end authorized by the Board of Directors comprise.

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Capital commitments	267,515	391,573

This relates to some significant capital expenditures to be incurred on our facilities as at the year end.

16 Intangible assets

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Cost		
Balance as at 1 January	283,560	283,560
Additions	277,429	-
Balance	560,989	283,560
Accumulated amortization		
Balance as at 1 January	283,553	283,531
Charge for the year (Note 10)	49,633	22
Balance	333,186	283,553
Carrying amount		
	227,803	**7**

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

17 Trade and other receivables

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Trade receivables (Note 17(a))	1,294,559	1,255,120
Bridging claims (Note 17(b))	7,379,050	9,304,199
DMO holdback (Note 17(c))	1,600,000	1,600,000
Receivables from related parties (Note 17(d))	1,041,701	197,453
Employee receivables	36,889	36,485
Due from joint arrangement partners (Note 17(g)	46,467	18,252
Receivables from Registrar (Note 17(e))	21,717	23,971
Sundry receivables	43,438	12,398
Total financial assets		
	11,463,821	12,447,878
Non-financial assets		
Advances paid to suppliers (Note 17(f))	9,285,659	5,583,428
	20,749,480	**18,031,306**

a) Trade receivables	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Gross trade receivables	3,305,544	2,738,916
Impairment allowance (Note 30(a)(iv))	(2,010,985)	(1,483,796)
Net trade receivables	**1,294,559**	**1,255,120**

b) Bridging Claims

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Gross bridging claims	8,045,012	9,950,791
Impairment allowance (Note 30(a)(iv))	(665,962)	(646,592)
Net bridging claims	**7,379,050**	**9,304,199**

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

c) DMO Holdback

DMO holdback is comprised of:

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Amount set aside for liabilities owed to financial institutions	1,600,000	1,600,000
	1,600,000	**1,600,000**

The Debt Management Office (DMO) withheld money owed to financial institutions by the company for the direct settlement of those liabilities during the 2018 fiscal year, prior to the settlement of outstanding PSF receivables to the company. The amount withheld for financial institutions was determined by the Federal High Court in Abuja's court orders, which mandated that the DMO retain the money in order to pay the impacted financial institutions and agencies directly. These obligations are related to the funding those financial institutions gave the company in the past for the importation of PMS. As a result, the financial institution and the company came to a settlement agreement that was accepted by the court and sent to DMO, after which the financial instrument will be released. The deal must be closed in full by 2024. Meanwhile, the relevant financial institution liabilities are included in short-term borrowings (See Note 26).

d) Due from related parties

	31 Dec. 2023	31 Dec.2022
	₦'000	₦'000
Gross receivable from related parties (Note 31 (e))	1,046,154	556,510
Impairment	(4,453)	(359,057)
Balance	**1,041,701**	**197,453**

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

e) Receivables from Registrar

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at 1st January	23,971	23,971
Payments	(2,254)	-
Balance	**21,717**	**23,971**

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

f) Advances paid to suppliers

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

g) Due from joint arrangement partners

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at 1st January	18,252	9,554
Movement	28,215	8,698
Balance	**46,467**	**18,252**

18 Withholding tax receivables

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at 1st January	11,239	9,747
Additions	731,886	1,492
Withholding tax credit note utilized (Note 14(d))	(702,165)	-
Balance	**40,960**	**11,239**

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

19 Inventories

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Premium Motor Spirit (PMS)	4,110,800	1,377,310
Automotive Gas Oil (AGO)	1,554,730	80,773
Aviation Turbine Kerosene (ATK)	881,031	417,864
Lubricants and greases	1,051,692	1,420,094
Liquified Petroleum Gas (LPG)	16,933	1,373
Low Pour Fuel Oil (LPFO)	4,119	4,119
Packaging materials and other sundry items	12,126	475
Balance	**7,631,431**	**3,302,008**

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Gross inventory	7,632,176	3,413,364
Inventory write down (Note 19 (a)	(745)	(111,356)
Net inventory	**7,631,431**	**3,302,008**

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at 1 January	(111,356)	(94,057)
Reversal of/ (impairment) on inventory	110,611	(17,299)
Balance	**(745)**	**(111,356)**

20 Cash and cash equivalents

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Cash at bank and on hand	5,570,323	2,905,297
Short term deposits with banks	337,210	311,148
Cash and cash equivalents in the statement of financial position		
	5,907,533	3,216,445
Bank overdrafts used for cash management purposes (Note 26)	-	-
Cash and cash equivalents in the statement of cash flows	**5,907,533**	**3,216,445**

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

21 Equity

a. Issued and fully paid:

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
At 1 January, 304,786,406 ordinary shares of 50k each	171,442	152,393
Bonus issue of 38,098,301 shares of 50k each	-	19,049
Issued and fully allotted:	**171,442**	**171,442**

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

Retained earnings

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at 1 January	18,328,004	17,030,951
Profit for the year	4,048,758	1,316,102
Statute barred dividend written back	63,028	-
Value of bonus shares issue	-	(19,049)
Balance	**22,439,790**	**18,328,004**

22 Employee benefit obligations

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Other long term employee benefits	8,523	9,085
Total employee benefit liabilities	**8,523**	**9,085**

(b) Other long term employee benefits comprise long service awards and it is funded on a pay-as-you-go basis by the Company. The provision was based on an independent actuarial valuation performed by Henre Prinsloo FRC/2018/NAS/00000018473, of QED Actuaries Nigeria Limited FRC/2018/00000012293. The method of valuation used is the projected unit credit method and the last valuation was as at 31 December 2023.

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance as at 1st January	9,085	6,632
Included in profit or loss:		
Current service cost/Provision	2,171	1,214
Past service (income)/cost	(3,798)	-
Interest cost	1,542	985
Remeasurement Loss/(gains)	(477)	1,016
Net (credit)/charge to profit or loss	(562)	3,215
Benefits paid by the employer		(762)
Balance	**8,523**	**9,085**

(d) Actuarial Assumptions

Key actuarial assumptions relating to measurements of employee benefit obligations involves estimates and assumptions, but is not considered to have a risk of material adjustment for the year ending 31 December 2023 as the balance is not material to the financial statements.

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

	31 Dec. 2023	31 Dec. 2022
	%	%
Long-term average discount rate (p.a.)	14.8%	13.7%
Future average pay increase (p.a.)	12.0%	12.0%
Average duration in years (Long Service Awards)	10	5

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

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

Mortality in Service **No of deaths in year out of 10,000 lives**

Sample age	%	%
25	13.2	13.2
30	12.0	12.0
35	9.0	9.0
40	6.0	6.0
45	5	5

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

It is assumed that all the employees covered by the long service award scheme would retire at age 60 (2022: age 60).

Sensitivity Analysis

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

Mortality in Service		**Long Sevice**
Award		
Sample age	%	**₦'000**
Discount rate	-1%	8,076
	+1%	9,012
Salary increase rate	-1%	9,054
	+1%	8,031
Mortality rate Age rated down by 1 year	-1%	8,499
Age rated up by 1 year	+1%	8,545

23 Contract Liabilities

	31 Dec. 2023	31 Dec. 2022
	₦'000	**₦'000**
At 1 January	2,221,109	310,771
Amount recognized as revenue during the year	(1,973,489)	(118,319)
Advance received from customers at year end	5,483,005	1,956,921
Closing	**5,835,729**	**2,221,109**

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

We received an advance of NGN 5.5b as at the year-end which accounted for significant change in the contract liability in the current year.

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

24 Dividends

(a) Declared dividends

The directors have proposed a dividend of N2.36K per share for the year (2022: Nil) on 342,884,706 ordinary shares of 50 kobo each, being the ordinary shares in issue at the end of the year subject to approval of the shareholders at the Annual General Meeting.

(b) Dividend payable

	31 Dec. 2023	31 Dec. 2022
	₦'000	**₦'000**
At 1 January	169,851	169,851
Payments	(2,254)	-
Unclaimed dividend written back to retained earnings (see 24(d))	(63,028)	-
At 31 December	**104,569**	**169,851**

(c) Included in the dividend payable balance at year end is an amount of NGN 21.72 million (2022: NGN23.97 million), which is held with the Company's registrar, First Registrars and Investor Services Limited. The dividend payable as at year end does not attract interest.

(d) The dividend was invested in an interest-bearing account and included in the short-term deposit (Note 20) in line with law.

25 Trade and other payables

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Trade payables (Note 25(a))	4,842,421	3,015,108
Accrued expenses	660,909	1,064,651
Amounts due to joint arrangement partners (Note 25(b))	153,377	140,246
Bridging allowance (Note 25(c))	6,250,144	6,108,284
Amounts due to related parties (Note 31(e))	7,761,059	3,986,276
Total financial liabilities	**19,667,910**	**14,314,565**
Non-financial liabilities		
Statutory deductions (Note 25(d))	176,664	173,555
Security deposits (Note 25(e))	1,885,598	1,580,306
	2,062,262	1,753,861
	21,730,172	**16,068,426**

(a) Included in trade payables is an amount of NGN990.5million, due to one of the Company's vendors which bears interest on expiration of credit policy granted to the Company. There was no interest charged on this during the year (Note 11(a)).

(b) Amount relates to cash received from other parties of the Joint Aviation Facility for the running of the facility by the Company.

(c) Bridging allowance represents amount due to the Petroleum Equalization Fund Management Board now Nigeria Midstream and Downstream Petroleum Regulatory Authority as contribution to the Fund. It is charged on every litre of product lifted from Pipelines and Product Marketing Company. Effective 1st of June year 2023, Federal government announced the discontinuation of fuel subsidy regime which has also stopped the accumulation of bridging allowance. However, there is unpaid balance in the book which is subject to reconciliation and offset against the bridging claims (Note 17b).

(d) This represents statutory deductions which are mandated by law or statute. They include Value Added Tax (VAT), Withholding Tax (WHT) liabilities and Pay-As-You-Earn (PAYE) liabilities, which are to be remitted to the relevant tax authorities.

(e) These are collateral deposits paid by dealers who maintain credit facilities with the Company. These amounts are set-off against trade receivables from these dealers on a yearly basis to cater for probable losses from sales to customers. See Notes 30(aiii).

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

26 Short term borrowings

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Bank borrowing (Import Finance and other short-term facilities)	1,411,105	1,411,105
Total Borrowings	1,411,105	1,411,105

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance as at 1 January	1,411,105	1,411,105
Additions	235,548,091	34,533,787
Repayments	(235,548,091)	(34,533,787)
Balance (Note 17c)	**1,411,105**	**1,411,105**

a) The interest expense incurred in the year relating to overdraft and short-term borrowing is NGN42.89 million (2022: NGN42.9 million).

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

27 Prepayments

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Other Prepayments-Rent, Insurances & others	188,665	149,123
	188,665	**149,123**

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Non-current portion	–	–
Current portion	188,665	149,123
	188,665	**149,123**

Movement in prepayment	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance as at 1st January	149,123	56,416
Addition	440,071	341,261
Release to profit or loss	(400,529)	(248,554)
Balance	**188,665**	**149,123**

28 Provisions

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at 1st January	224,179	98,430
Decommissioning provisions made during the year on existing leases	39,564	5,371
On newly onboard leases	8,553	-
Reversal of legal provision	-	(46,139)
Changes in estimate	(127,449)	170,702
Reversal on decommissioning provision on terminated leases	(819)	(4,185)
Balance	**144,028**	**224,179**
Non-current-Asset Retirement Obligation	144,028	224,179
Current-Legal	-	-

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
	-	-
	144,028	224,179
Legal	-	-
Asset Retirement Obligation	144,028	224,179
	144,028	**224,179**

Asset retirement obligation relates to the estimate of costs to be incurred by the Company in dismantling and removing the underground tank and other structures on the leased land after the expiration of the lease. The company occupies some retail stations under a lease agreement in which provision is made to take care of decommissioning cost at the expiration of those leases. The duration of the leases is ten years, and some are with renewal clauses.

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

29 Lease Liabilities

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

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

i Right of use assets

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

	Leasehold land	
	31 Dec. 2023	31 Dec. 2022
Cost:	₦'000	₦'000
Cost as at 1 January	1,220,333	1,107,948
Cash additions	107,500	-
Other Additions	30,921	-
Changes in estimate	(127,449)	170,702
Lease terminated	(74,287)	(58,317)
	1,157,018	1,220,333
Allowance for depreciation:		
Balance at 1st January	382,302	305,615
Charge for the year	135,940	98,604
Depreciation on lease cancelled	(25,803)	(21,917)
	492,439	382,302
Carrying Amount as at the year end	**664,579**	**838,031**

a. Amortization charge (as stated above) is included in selling and distribution expenses in the statement of profit or loss, because our retail stations are revenue generating unit.
b. The Company has leases for some of its retail outlets, with the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right -of-use asset. The average lease term is ten years (2021: ten years).

ii Amounts recognized in profit or loss

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Depreciation expense on right-of-use assets (Note 9)	135,940	98,604
Interest expense on lease liabilities (Note 11)	53,680	55,849

iii Lease liabilities

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Balance at 1st January	524,257	509,387
Interest on lease liability	53,680	55,849
Additions to lease liability	43,868	-
Lease liability terminated	(26,584)	(18,761)
Interest reversal on terminated leases	-	(11,218)
Lease payments	(40,500)	(11,000)
Balance as at year end	**554,721**	**524,257**

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

The timing of the lease liabilities is as follows:

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Current	472,568	420,676
Non-Current	82,153	103,581
	554,721	**524,257**

Maturity Analysis of lease liabilities

	Amount	Amount
	₦'000	₦'000
Year 1	472,568	420,676
Year 2	67,877	44,390
Year 3 and above	14,276	59,191
	554,721	**524,257**

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

30 Financial Risk Management & Financial Instruments

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

Credit risk
Liquidity risk
Market risk

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

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

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the strategic and finance planning committee to reflect changes in market conditions and the Company's activities. The

Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

(a) Credit risk

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

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Impairment loss/(reversal) on trade receivables Note 30(a)(iv)	527,189	(503,708)
Impairment of Petroleum Equalization Fund receivables (Note 30(a)(iv))	19,370	500,000
(Reversal)/impairment loss on related party receivables (Note 30(a)(iv))	(354,604)	314,704
	191,955	**310,996**

(i) Maximum credit exposure

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

	31 Dec. 2023			31 Dec. 2022		
	Gross	Impairment	Net	Gross	Impairment	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Trade receivables	3,305,544	(2,010,985)	1,294,559	2,738,916	(1,483,796)	1,255,120
Due from related parties	1,046,154	(4,453)	1,041,701	556,510	(359,057)	197,453
Due from regulators (Government entities):						
Petroleum Equalization Fund (PEF)	8,045,012	(665,962)	7,379,050	9,950,791	(646,592)	9,304,199
DMO holdback	1,600,000	-	1,600,000	1,600,000	-	1,600,000
- Other receivables	148,511	-	148,511	91,106	-	91,106
Cash and cash equivalent	5,907,533	-	5,907,533	3,216,445	-	3,216,445
	20,052,754	**(2,681,400)**	**17,371,354**	**18,153,768**	**(2,489,445)**	**15,664,323**

(ii) Trade and other receivables

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

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

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

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

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

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

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

At 31 December 2023, the exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows.

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Retail customers	1,395,373	1,791,803
Commercial and industrial	1,168,287	244,859
Aviation	741,884	702,254
	3,305,544	**2,738,916**

(iii) Expected credit loss assessment as at 31 December 2023

Expected credit loss assessment for government and related party receivables at 31 December 2023

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

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

Expected credit loss assessment for trade receivables at 31 December 2023

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

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

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023.

Retail Customers **31 December 2023**	**Weighted average Loss rate**	**Gross carrying amount**	**Loss allowance**
	%	**₦'000**	**₦'000**
Not past due nor impaired *	0.00%	1,008,403	-
Current (Not past due)	0.00%	-	-
1–30 days past due	96.08%	17	16
31–60 days past due	98.67%	66	65
61–180 days past due	100.00%	3,575	3,575
181–365 days past due	100.00%	24,918	24,918
More than 365 days past due	100.00%	358,394	358,394
		1,395,373	**386,968**

Retail Customers
31 December 2022

	Weighted average Loss rate	Gross carrying amount	Loss allowance
	%	₦'000	₦'000
Not past due nor impaired *	0.00%	1,126,730	-
Current (Not past due)	60.74%	49,012	29,772
1–30 days past due	63.94%	21,890	13,997
31–60 days past due	67.12%	39,861	26,756
61–180 days past due	74.61%	35,541	26,518
181–365 days past due	89.20%	154,326	137,661
More than 365 days past due	100.00%	364,443	364,443
		1,791,803	**599,147**

Commercial/Industries customers
31 December 2023

	Weighted average Loss rate	Gross carrying amount	Loss allowance
	%	₦'000	₦'000
Not past due nor impaired *	0.00%	170,701	-
Current (Not past due)	88.78%	45,166	40,096
1–30 days past due	90.86%	135,599	123,205
31–60 days past due	99.64%	197,423	196,706
61–180 days past due	100.00%	11,659	11,659
181–365 days past due	88.79%	15,185	15,185
More than 365 days past due	100.00%	592,554	592,554
		1,168,287	**977,743**

Commercial/Industries customers
31 December 2022

	Weighted average Loss rate	Gross carrying amount	Loss allowance
	%	₦'000	₦'000
Current (Not past due)	0.00%	-	-
1–30 days past due	61.17%	27,621	16,896
31–60 days past due	68.18%	44	30
61–180 days past due	72.12%	9,603	6,926
181–365 days past due	85.05%	24,309	20,674
More than 365 days past due	100.00%	183,282	183,280
		244,859	**227,806**

Aviation customers 31 December 2023	Weighted average Loss rate	Gross carrying amount	Loss allowance
	%	₦'000	₦'000
Not past due nor impaired *	0.00%	95,573	–
Current (Not past due)	0.00%	–	–
1–30 days past due	100.00%	–	–
31–60 days past due	98.04%	1,763	1,728
61–180 days past due	100.00%	–	–
181–365 days past due	100.00%	–	–
More than 365 days past due	100.00%	644,548	644,448
		741,884	**646,276**

Aviation customers 31 December 2022	Weighted average Loss rate	Gross carrying amount	Loss allowance
	%	₦'000	₦'000
Not past due nor impaired *	0.00%	28,528	–
Current (Not past due)	54.89%	24,164	13,263
1–30 days past due	0.00%	–	–
31–60 days past due	00.00%	–	–
61–180 days past due	83.51%	4,364	3,644
181–365 days past due	91.17%	59,592	54,328
More than 365 days past due	100.00%	585,607	585,607
		702,255	**656,842**

* This is not considered for impairment as it is covered by security deposits. (See Note 25e).

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

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

iv) Movements in the allowance for impairment of financial assets

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

	1 Jan 2022	Recognized in profit or loss	31 Dec 2022	Recognized in profit or loss	31 Dec 2023
	₦'000	₦'000	₦'000	₦'000	₦'000
Trade receivables	1,987,502	(503,706)	1,483,796	527,189	2,010,985
PEF receivables	146,592	500,000	646,592	19,370	665,962
Related party receivables	44,353	314,704	359,057	(354,604)	4,453
Total	**2,178,447**	**310,998**	**2,489,445**	**191,955**	**2,681,400**

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

v) Due from Government entities

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

Determination of amounts due are based on existing regulations/guidelines and impairment is only recognized when changes occur in the regulations that prohibit or limit recovery of previously recognized amounts. For bridging claims amounting to 7.38billion (Dec 2022: 9.30 billion) recognized as receivable (Note 17), possibilities exist depending on negotiations that settlement will occur via a set off to the extent of bridging allowances amounting to 6.25billion (Dec 2022: 6.11billion) recorded as a liability (Note 25). However, as the right of set off does not exist, the amounts have been presented gross in these financial statements.

vi) Due from related parties

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

vii) Other receivables

Other receivables include employee receivables and other sundry receivables. The Company reviews the balances due from this category on a yearly basis taking into consideration functions such as continued business/employment relationship and ability to offset amounts against transactions due to these parties. Where such does not exist, the amounts are impaired. There was no impairment loss recognized in this category of receivables during the year. (Dec 2022: Nil).

viii) Cash and cash equivalents

The Company held cash and cash equivalents of 5.9 billion as at 31 December 2023 (Dec 2022: 3.2 billion), which represents its maximum credit exposure on these assets. The credit risk on this is not significant as cash and cash equivalent reside with banks that have good credit ratings issued by reputable international rating agencies.

(b) Liquidity risk

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

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

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

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

	Notes	Carrying amount	Contractual cash flows	6 months or less
		₦'000	₦'000	₦'000
Non derivative financial liabilities				
31 December 2023				
Other short-term borrowings	26	1,411,105	1,411,105	1,411,105
Dividend payable	24(b)	104,569	104,569	104,569
Trade and other payables	25	19,667,910	19,667,910	19,667,910
Lease liabilities	29	554,721	554,721	554,721
		21,738,305	**21,738,305**	**21,738,305**
31 Dec 22				
Overdraft and other short-term borrowings	26	1,411,105	1,411,105	1,411,105
Dividend payable	24(b)	169,851	169,851	169,851
Trade and other payables	25	14,314,565	14,314,565	14,314,565
Lease liabilities	29	524,257	524,257	524,257
		16,419,778	**16,419,778**	**16,419,778**

Market risk

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

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

Currency risk

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

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

Exposure to currency risk

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Financial assets		
Trade and other receivables		
USD	238	233
Cash and cash equivalents		
USD	25	554
Financial liabilities		
Short- term borrowings		
USD	-	-
Trade and other payables		
USD	(1,167)	(10,766)
Net statement of financial position exposure USD	**(904)**	**(9,979)**

Sensitivity analysis

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

31 Dec 23	Decrease in profit or loss
	N'000
USD (10 percent strengthening)	(45,091)
31 Dec 22	
USD (10 percent strengthening)	(288,069)

The following significant exchange rates were applied during the year

	Average rate	Average rate	Reporting date spot rate	Reporting date spot rate
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	₦	₦	₦	₦
US Dollar	899.39	430.95	898.89	448.55

Interest rate risk profile

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

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Fixed rate instruments		
Bank overdraft and borrowings	1,411,105	1,411,105
Trade payables*	1,287,717	2,577,396

*Included in trade payables is an amount of 990.5 million (Dec 2022: NGN377.4 million), due to one of the Company's vendors which bears interest on expiration of credit policy granted to the Company.

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

d) Capital risk management

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

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Total borrowings (Note 26)	1,411,105	1,411,105
Less: Cash and cash equivalents (Note 20)	(5,907,533)	(3,216,445)
Adjusted net debt	(4,496,428)	(1,805,340)
Total equity	22,611,232	18,499,446
Total capital employed	**18,114,804**	**16,694,106**
Adjusted net debt to equity ratio	**(0.199)**	**(0.098)**

There were no significant changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

e) Fair value disclosures

Accounting classification and fair value

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

The Company's financial instruments are categorized as follows:

	Carrying amount		
	Financial assets at amortised cost	Other financial liabilities	Total
31 December 2023	₦'000	₦'000	₦'000
Financial assets not measured at fair value			
Trade and other receivables (Note 17)	11,463,821	-	11,463,821
Cash and cash equivalents (Note 20)	5,907,533	-	5,907,533
	17,371,354		**17,371,354**
Financial liabilities not measured at fair value			
Short term borrowings (Note 26)	-	1,411,105	1,411,105
Trade and other payables (Note 25)	-	19,667,910	19,667,910
Dividend payable (Note 24)	-	104,569	104,569
		21,183,584	**21,183,584**

	Carrying amount		
	Financial assets at amortized cost	Other financial liabilities	Total
31 December 2022	₦'000	₦'000	₦'000
Financial assets not measured at fair value			
Trade and other receivables (Note 17)	12,447,880	-	12,447,880
Cash and cash equivalents (Note 20)	3,216,445	-	3,216,445
	15,664,325		**15,664,325**
Financial liabilities not measured at fair value			
Short term borrowings (Note 26)	-	1,411,105	1,411,105
Trade and other payables (Note 25)		14,314,565	14,314,565
Dividend payable (Note 24)		104,569	104,569
		15,830,239	**15,830,239**

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

31 Related party transactions

(i) Parent and ultimate controlling entity

As at the year ended 31 December 2023, MRS Africa Holdings Limited (incorporated in Bermuda) owned 60% of the issued share capital of MRS Oil Nigeria Plc. MRS Africa Holdings Limited is a subsidiary of Corlay Global SA. The ultimate holding company is Corlay Global SA incorporated in Panama.

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

(a) MRS Oil and Gas Limited (MOG)

MOG is a wholly owned subsidiary of MRS Holdings Limited which is a shareholder in Corlay Global SA. Corlay Global SA is the ultimate holding company of MRS Oil Nigeria Plc. The following transactions occurred during the year:

(i) Parent and ultimate controlling entity
(a) MRS Oil and Gas Limited (MOG)

Nature of transactions	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Sales of goods	1,080,000	214,229
Staff Secondment	-	-
Product purchase	(11,476,140)	(6,088,800)
AGO Internal Consumption	(342,064)	(221,028)

In current year, the value of product stored by MRS Oil and Gas Limited for the Company amounted to NGN1.5 billion (Dec 2022: NGN935,702 thousand). The total transactions with MOG during the year was NGN10.7 billion (Dec 2022: NGN6.1 billion).

The net balance due to MOG is NGN2.32 billion (Dec 2022: NGN38.28 million due from MOG)

(b) Petrowest SA (Petrowest)

MRS Africa Holdings Ltd which is a shareholder in Corlay Global S.A, the ultimate parent of MRS Oil Nigeria Plc; holds an indirect interest of 45% in Petrowest (through MOG). The net balance due to Petrowest was NGN3.6 billion (Dec 2022: NGN1.78 billion)

(c) MRS Holdings Limited

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

Nature of transactions	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Management fees	(612,970)	(431,983)
Sale of goods	5,812	230,882

Net balance due to MRS Holdings Limited was NGN815.6 million (Dec 2022: NGN1.60 billion)

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

	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
MRS Benin S. A.	135,751	67,740
Corlay Togo S. A.	24,944	11,137
Corlay Benin S. A	20,891	9,476
Corlay Cote D'Ivoire	(227,391)	(113,469)
Corlay Cameroun S. A.	32,132	16,034
	(13,673)	**(9,082)**

(i) Parent and ultimate controlling entity

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

Nature of transactions	31 Dec. 2023	31 Dec. 2022
	₦'000	₦'000
Management fees	(612,970)	(431,983)
Sale of goods	5,812	230,882

Nature of transactions		31 Dec. 2023	31 Dec. 2022
		₦'000	₦'000
Corlay Togo S. A.	Reimbursements for expenses	1,630	12
Corlay Benin S. A	Reimbursements for expenses	3,174	10
Corlay Cote D'Ivoire	Reimbursements for expenses	2,380	5

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

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

(e) Summary of intercompany receivables and payables:

	31 Dec. 2023		31 Dec. 2022	
	₦'000	₦'000	₦'000	₦'000
	Receivables	Payables	Receivables	Payables
MRS Oil and Gas Limited (MOG)	826,624	(3,146,971)	452,124	(490,407)
MRS Africa Holdings Limited	5,812	(821,419)	-	(1,603,311)
Petrowest	-	(3,565,279)	-	(1,779,090)
MRS Benin S. A.	135,751	-	67,740	-
Corlay Togo S. A.	24,944	-	11,137	-
Corlay Benin S. A.	20,891		9,476	
Corlay Cote D'Ivoire		(227,390)		(113,468)
Corlay Cameroun S. A.	32,132		16,034	
	1,046,154	**(7,761,059)**	**556,511**	**(3,986,276)**

All related parties' balances are receivable/payable on demand.

ii) Key management personnel compensation

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

Short term employee benefits

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

In line with NGX - Rules Governing Transactions with Related Parties or Interested Persons, the Company has disclosed transactions with related parties which are individually or in aggregate greater than 5% of the total tangible assets. The total tangible assets amounted to NGN19.71 billion, and the 5% disclosure limit is NGN971 million. During the year, the Company had entered into transactions above the 5% disclosure limit with MRS Oil and Gas Limited.

32 Segment reporting

In accordance with the provisions of IFRS 8 – Operating Segments; the operating segments used to present segment information were identified on the basis of internal reports used by the Company's Managing Director to allocate resources to the segments and assess their performance.

The Managing Director is MRS Oil Nigeria Plc's "Chief operating decision maker" within the meaning of IFRS 8.
Segment information is provided on the basis of product segments as the Company

manages its business through three product lines - Retail/Commercial & Industrial, Aviation, and Lubricants. The business segments presented reflect the management structure of the Company and the way in which the Company's management reviews business performance. The accounting policies of the reportable segments are the same as described in Note 4.

The Company has identified three operating segments:

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

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

Segment revenues and cost of sales

Dec 23	Revenue		Cost of sales		Gross profit		Margin
	₦'000	% of Total	₦'000	% of Total	₦'000	% of Total	
Retail/C&I	171,370,157	94%	157,374,158	94%	13,995,999	93.3%	8%
Aviation	6,443,180	4%	6,076,365	4%	366,815	2.4%	6%
Lubes	4,497,626	2%	3,858,508	2%	639,118	4.3%	14%
Total	**182,310,963**	**100%**	**167,309,031**	**100%**	**15,001,932**	**100%**	

Dec 22	Revenue		Cost of sales		Gross profit		Margin
	₦'000	% of Total	₦'000	% of Total	₦'000	% of Total	
Retail/C&I	90,071,428	89%	82,294,428	89%	7,777,000	91%	9%
Aviation	6,855,383	7%	6,309,255	7%	546,128	6%	8%
Lubes	3,853,069	4%	3,601,270	4%	251,799	3%	7%
Total	**100,779,880**	**100%**	**92,204,953**	**100%**	**8,574,927**	**100%**	

33 Subsequent events

There are no significant subsequent events that could have had a material effect on the financial position of the Company as at 31 December 2023 and on the profit for the year ended on that date that have not been taken into account nor disclosed in these financial statements.

34 Contingencies

(a) Pending litigations

There are certain lawsuits pending against the Company in various courts of law. The total contingent liabilities in respect of pending litigations as at 31 December 2023 is NGN7.42 billion. Per the assessment of the Company's legal team, the estimated liability is about NGN453.6 million (Dec 2022: NGN711.93 million). The actions are being contested and the directors are of the opinion that no significant liability will arise from these legal cases. Also, the sum of NGN388.7 million (Dec 2022: NGN137.84) represents the value of law cases instituted by the company as the end of the reporting year.

(b) Financial commitments

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

35 Comparative figures

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

Reclassified from	Reclassified to	Naira
		₦'000
Admin. Expenses - Maintenance *	Selling and distribution expenses	418,765
Admin. Expenses - Net foreign exchange loss **	Face of the SOCI	659,647

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

** Net foreign exchange loss is being reclassified to the face of the Statement of Comprehensive Income as the amount became material.

Other National Disclosures

Statement of Value Added

	31 Dec. 2023		31 Dec. 2022	
	₦'000	%	₦'000	%
Revenue	182,310,963		100,779,880	
Other income	232,316		254,883	
Finance income	122,493		24,950	
Bought in materials and services	182,665,772		101,059,713	
- Local	(175,192,486)		(97,476,942)	
Value added by operating activities	**7,473,286**	**100**	**3,582,771**	**100**
Distribution of Value Added				
To Employees:				
Salaries, wages, fringe and end of service benefits	602,306	8	447,947	13
To Government as:				
Taxation	1,904,934	26	623,587	17
To Providers of Finance:				
- Finance cost	136,142	2	105,685	3
Retained in the Business To maintain and replace:				
- Property, plant and equipment	700,597	9	608,771	17
- Intangible assets	49,633		22	
- Deferred Taxes	30,916		480,657	13
To augment retained earnings	4,048,758	55	1,316,102	37
Value added	**7,473,286**	**100**	**3,582,771**	**100**

Five Year Financial Summary

Statement of financial position

	2023	2022	2021	2020	2019
	₦''000	₦'000	₦'000	₦'000	₦'000
Revenue	182,310,963	100,779,880	71,976,255	41,981,439	65,567,458
Results from operating activities	5,998,257	2,501,081	668,080	(2,113,846)	(2,022,918)
Profit/(loss) before taxation	5,984,608	2,420,346	325,025	(2,307,673)	(1,892,198)
Profit/(loss) for the year	4,048,758	1,316,102	339,873	(2,264,145)	(1,613,082)
Comprehensive income/(loss) for the year	**4,048,758**	**1,316,102**	**339,873**	**(2,264,145)**	**(1,613,082)**
Ratios					
Earnings/(loss) per share (Kobo)	1,181	384	112	(743)	(529)
Net assets per share (kobo)	**6,594**	**5,395**	**5,638**	**5,526**	**6,269**

Statement of financial position

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Employment of Funds:					
Non-current assets	20,313,217	15,815,991	15,544,912	15,834,068	17,357,826
Net current assets	3,044,291	3,500,957	2,206,742	1,952,699	3,167,485
Non-current liabilities	(746,276)	(817,502)	(568,310)	(943,296)	(1,417,695)
Net assets	**22,611,232**	**18,499,446**	**17,183,344**	**16,843,471**	**19,107,616**
Funds Employed					
Share capital	171,442	171,442	152,393	152,393	152,393
Retained earnings	22,439,790	18,328,004	17,030,951	16,691,078	18,955,223
	22,611,232	**18,499,446**	**17,183,344**	**16,843,471**	**19,107,616**

Statement of Compliance

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

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

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

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

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

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

Free Float Computation

Shareholding Structure/Free Float Status

	31 Dec. 2023		31 December 2022	
Description	**Unit**	**%**	**Unit**	**%**
Issued Share Capital	342,884,706	100.00	342,884,706	100.00
Substantial Shareholdings (5% and above)				
MRS Africa Holdings Limited	205,730,806	60.00%	205,730,806	60.00%
First Pen Cust/Asset Management Corporation of Nigeria	35,909,817	10.47%	35,909,817	10.47%
Total Substantial Shareholdings	**241,640,623**	**70.47%**	**241,640,623**	**70.47%**

Directors' Shareholdings (direct and indirect), excluding directors with substantial interests

Ms. Amina Maina	37,278	0.01%	37,278	1.0%
Sir Sunday N. Nwosu	5,914	0.00%	7,089	0.2%
Mr. Matthew Akinlade	642	0.00%	642	0.0%
Total Directors' Shareholdings	**43,834**	**0.01%**	**45,009**	**1.2%**
Free Float in Units and Percentage	**101,200,247**	**29.52%**	**101,199,073**	**28.33%**
Free Float in Value	**10,626,025,974**		**1,426,906,926**	

Declaration:

(A) MRS Oil Nigeria Plc with a free float percentage of 29.52% as at 31 December 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) MRS Oil Nigeria Plc with a free float value of =N= 10.6 billion as at 31 December 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Shareholders Information

Share Capital History:

Year	Share Capital	Mode of Acquisition
1978-1979	13,606,536	Initial Share Capital
1980-1982	27,213,072	Bonus 1980 (1:1) – 13,606,536 shares
1983-1985	45,355,120	Bonus 1983 (2:3) – 18,141,048 shares
1986-1988	68,032,680	Bonus 1986(1:2) – 22,677,560 shares
1989	90,710,240	Bonus 1989(1:3) – 22,677,560 shares
1990-1996	113,387,800	Bonus 1990 (1:4) –22,677,560 shares
1997-2001	151,183,734	Bonus 1997 (1:3) – 37,795,934 shares
2002-2003	181,420,480	Bonus 2002 (1:5) – 30,236,746 shares
2004-2016	253,988,672	Bonus 2004 (2:5) – 72,568,192 shares
2017	322,454,964	Bonus 2017 (1:5) - 50,797,734 shares
2022 till date	342,884,706	Bonus 2022 (1:8) - 20,429,743 shares

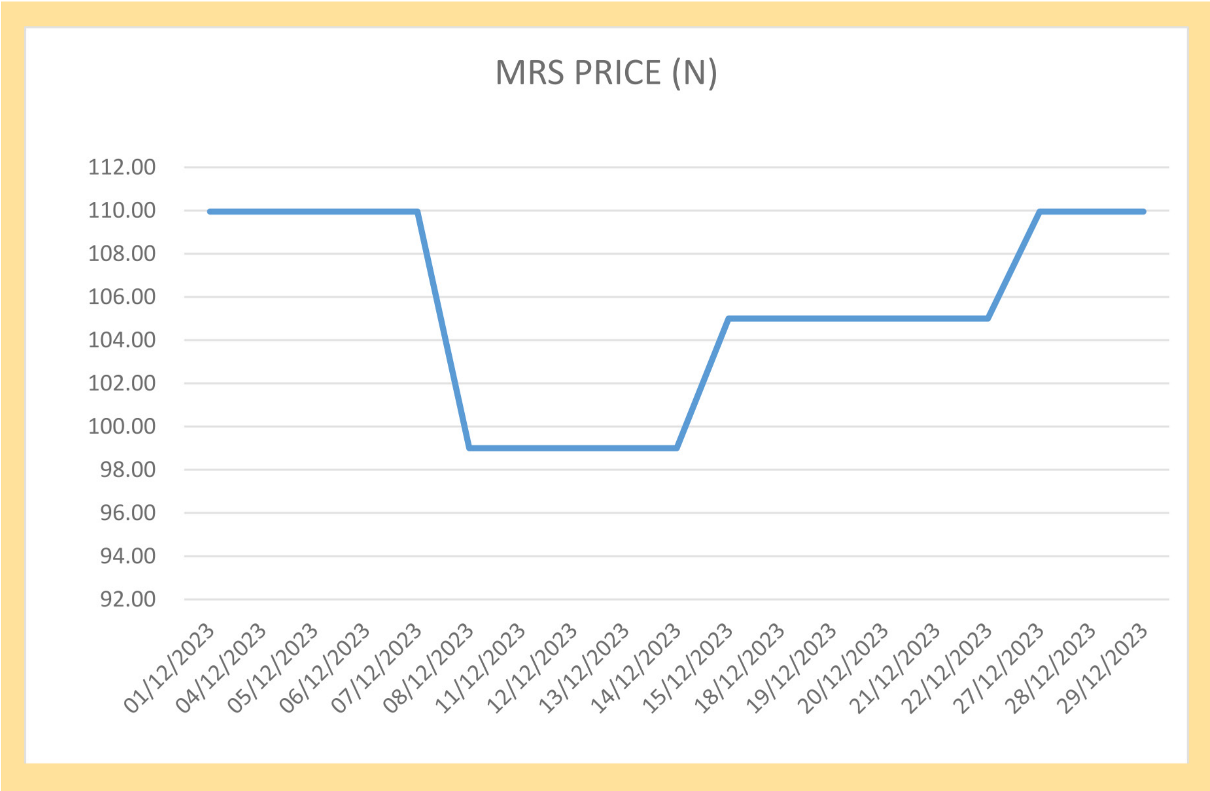
Dividend Declared:

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

Dividend			Date Declared	Amount
Dividend 38		(Final)	July 10, 2012	10,196,648.28
Dividend 39		(Final)	August 14, 2013	4,370,700.79
Dividend 40		(Final)	August 7, 2014	11,997,211.85
Dividend 41		(Final)	August 4, 2015	12,858,971.44
Dividend 42		(Final)	August 4, 2016	24,900,677.01
Dividend 43		(Final)	August 7, 2017	40,244,267.89

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

Share Price Movement



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

List of Distributors

S/N	Distributor Name	Address
1	CHIEF AWACO NIG. LTD	201, Makurdi, Road, Lafia, Nigeria, Nasarawa, Lafia.
2	SABOTOYS TOYE RESOURCES	35, Kugba Road, Oke-Saje, Abeokuta, Ogun State, Nigeria, Nigeria, Ogun, Abeokuta North.
3	RAINBOW. O CONCEPT LTD.	No 8 BCE Block Industry, Adjacent Himma Filling Station Gilada, Abuja, Nigeria, Abuja, Abuja Municipal.
4	PRECIOUS WEALTH NIGERIA LTD.	KM 21, Benin Agbor Road, Benin City, Nigeria.
5	LUBRITEX LTD	211,Block D5, 1004 Estate, Victoria Island, Lagos, Nigeria, Lagos, Victoria Island.
6	SYSHORE RETAIL LTD.	13 Uruguay Crescent, Maitama, Abuja, Nigeria.
7	ONBASS INVESTMENT LTD	D12/2, New Auto Spare Parts, Nkpor, Nigeria, Anambra, Idemili North.
8	GUZONTAL ENTERPRISES NIG LTD	No 1 Peace Close Trans-Kulu, Enugu, Nigeria, Enugu, Enugu East.
9	HI-GRADE CONTEMPORARY	No 1 Oluode Village Junction, Opposite Ansalam Pry/sec School, Off Akala Road, Oluyole Extension, Ibadan, Nigeria, Oyo, Oluyole.
10	AMAGWU INDUSTRIAL VENTURES LTD.	25 CPA Close Off Apara NTA Link Road, Port Harcourt, Nigeria, Rivers, Port-Harcourt.
11	ASAF OIL COMPANY NIGERIA LTD.	Illela, Sokoto, Nigeria.
12	V-TIME MARINE SERVICES NIGERIA LIMITED	No 21 Sangan Street Behind Leventis Motor Part, Port-Harcourt, Nigeria, Rivers, Port-Harcourt.
13	BASH INTERNATIONAL LUBRICANT OIL	No 2 Canteen Area, Gusau, Zamfara., Nigeria, Zamfara, Gusau
14	AMINUTECH AUTO WORLDWIDE	No 13 Clark Quarters, Behind Boys Scouts, Makurdi, Nigeria, Benue, Makurdi.
15	TWO OCEAN OIL LTD.	Central Zone C Block 2, Abuja.
16	SAMYTEX & SONS ENTERPRISE	No 192, Zik Avenue, Awka, Anambra, Nigeria, Benue, Makurdi.
17	ODIS GLOBAL LINKS LIMITED	4, Odi-Olowo Street, Sabo, Sagamu, Ogun State, Nigeria, Ogun, Sagamu
18	VASELINE GLOBAL VENTURES.	Ryan Court, Chevron, Lekki, Lagos, Nigeria.
19	DE BRIGHT GLOBAL OSOTEX LTD.	Block 17, Shop W27, Gudu International Market, Gudu District, Abuja, Nigeria, Abuja, Central Business District.
20	KENOC NIGERIA LIMITED	NO 5, Webilor Street Beside MTN office, Aba Road, Nigeria, Rivers, Port-Harcourt.
21	RAPID ADVANCED CONCEPT LIMITED	Federal Secretariat Estate, Nigeria, Benue, Makurdi.
22	BOBBY INVESTMENT NIGERIA LIMITED	NO 49 Omoba Rd, Aba, Nigeria, Abia, Aba North.
23	JOE KATE ENTERPRISES	No 9, Bassey Duke Street, Calabar, Nigeria, Cross River, Calabar South.

24	**EDDYFAB INTERNATIONAL NIGERIA LTD**	C3/13, New Motor Spare Part, Nkpor, Nigeria, Anambra, Idemili North.
25	**EZEOBI-VAL SYSTEMS LIMITED**	AP/28 Agboedo Motor Spare Nkwo, Nigeria, Anambra, Nnewi North
26	**VINNY STAR CONTINENTAL MERCHANDISE**	A30/19, Agbo-Edo Market, Nnewi, Anambra, Nigeria, Anambra, Nnewi South.
27	**ENGR. GULE ENTERPRISES**	No 35, Near Sokoto South Secretariat, Ahmadu Bello Way, Sokoto, Nigeria, Sokoto, Sokoto South.
28	**SANAB GLOBAL RESOURCES**	Sani Abacha By-pass Birnin Kebbi, Nigeria, Kebbi, Birnin Kebbi.
29	**VEBRADE INDUSTRIES NIGERIA LTD.**	4 Prince Olanrewaju A. Elegushi Street Lagos, Nigeria, Lagos, Eti-Osa.
30	**NSO AUTOMECHANIC**	151, Ahmadu Bello way, Victoria Island, Lagos, Nigeria, Lagos, Victoria Island.
31	**E C AKUDO GLOBAL CONCEPT LTD.**	Zone D, Block 2, Shop 56, Aspamda Trade Fa, Nigeria, Lagos, Ojo.
32	**ALLERPLUS RESOURCES LIMITED**	Farm Road, Afali, PHC, Nigeria, Rivers, Port-Harcourt.
33	**BARKA MATATA VENTURES LTD.**	No 20, Alhaji Ibrahim, Jalo Stores, Opposite Rahamaya Filling Station ,Jos, Bauchi Maiduguri, Potiskum, Yobe State., Nigeria, Adamawa, Yola North.
34	**MNE TRANSPORTATION AND LOGISTICS**	No 17, Nairobi Street, Wuse 2 Abuja., Nigeria, Abuja, Wuse 2.
35	**VIVI GOLD VENTURES**	No 38 Border Road, Ikom Cross-River State, Nigeria, Cross River, Ikom.
36	**FEDICO MOTORS ENTERPRISES**	42, Rwang Pam Street, Jos Plateau State, Nigeria, Plateau, Jos North.
37	**CF-ONYI EZEMA ENTERPRISES**	Suite 67 Deo-Gratias Plaza Utako District -FCT Abuja, Nigeria, Abuja, Central Business District.
38	**A.O CHIDI UNIQUE VENTURES LTD.**	N0 4 Cooperative Building Keffi Road, Nasarawa State, Nigeria, Nasarawa, Keffi
39	**SAINT CHUKS DE-DON INTERNATIONAL**	106 Bakin Kura Street Bauchi, Nigeria, Bauchi, Bauchi.
40	**MATT-CLIEF VENTURES LIMITED**	Km. 15 Aba Ikot-Ekpene Road Aba, Nigeria, Abia, Aba.
41	**PATRON F.I. BUILDERS**	M1 Ahmadu Bello Way Ibrahim Taiwo Road Suite 11B, Kaduna State, Nigeria, Kaduna.
42	**JEMOK NIGERIA LTD.**	Benin City, Edo State, Nigeria.
43	**N. EMILOJU I.C. LTD.**	Aladie Araromi Area Ejigbo Road Osun State, Nigeria, Osun, Ede South.
44	**A.Y. ALHERI INTERBIZ CONCEPT**	Zaria, Kaduna, Nigeria.
45	**PENTAGON SECURITIES LTD**	Port-Harcourt, Rivers, Nigeria.
46	**M J MULTIPURPOSE SERVICES LIMITED**	Along Gwarzo road Danbare Kumbotso L.G.A Kano, Nigeria, Kano, Gwarzo.
47	**LATESHY RESOURCES NIGERIA LIMITED**	No 19, Angola Crescent Barnawa, Kaduna, Nigeria, Kaduna, Kaduna South

48	**EDUS CONCERN**	V19, Mallam Kure Street, Jos North, Nigeria, Plateau, Jos North.
49	**ZOOM ENERGY ROW LIMITED**	Shop B1c, 01, 19, 20, And 21 International Trade Fair Complex, By Badagry Express Way Lagos., Nigeria, Lagos, Badagry.
50	**LAUNI TRADING INVESTMENT**	No 2 Sokoto road, GRA Bauchi, Nigeria, Bauchi, Bauchi.
51	**PERTH ENERGY LIMITED**	Plot 2 Oshodi Apapa Express Way Lagos, Nigeria, Lagos, Apapa.
52	**A. A. SALISU AND SONS NIGERIA LIMITED**	Opposite Adama Plastic Numan Road Adamawa, Nigeria, Adamawa, Numan.
53	**LIZSUN PETROLEUM**	Gwagwalada, Abuja, Nigeria.
54	**K. K. INTERNATIONAL**	Area1, Jos Road, Kaduna, Nigeria, Kaduna, Kaduna.
55	**IBB OIL AND GAS**	F9 New Market Road, Amingo Junction, Jos Plateau state, Nigeria, Plateau, Jos South.
56	**CHRIS-TON MULTI GLOBAL AGENCY LIMITED**	Shop No. B3/27 New Motor Spare Part, Zuba-Abuja, Abuja, Nigeria, Abuja, Abuja Municipal.
57	**ADLER SH**	1 Aina Jakande Street Ike Ira Bridge- Ajah, Nigeria, Lagos, Epe.
58	**MRS AZARE SHOP**	Potiskum Road, Azare, Nigeria, Bauchi, Katagum.
59	**CHUKEN GLOBAL SERVICES**	39 Item Road, Nigeria, Abia, Aba North.
60	**Y. A. ZOBO MULTILINKS**	67 Jos/ Maiduguri Road, Kasuwan Shanu Potiskum, Nigeria, Yobe, Potiskum.
61	**EDU-GOD INTERBUIZ LINK**	Shop B4/31 & B5/42 Bank line, Zuba Motor Spare Part Market, Nigeria, Abuja, Abuja Municipal.
62	**BUSINESS VENTURE**	222 Murtala Mohammed Way, Benin City, Nigeria, Edo, Benin City
63	**S.B.Y GENERAL CONTRACTORS LTD.**	3 Market Road, Askira, Borno State, Nigeria, Borno, Askira.
64	**AINA ADEYIGA SHOP**	10, Ipoyewa Estate, Phase 1, Nigeria, Lagos, Ikorodu.
65	**EUGENE AHAMEFULE OPARA**	110 Murtala Mohammed Highway, Nigeria, Cross River, Calabar Municipality.
66	**TADAERIGHA**	OPOLO Round-About By Isaac Boro Expressway, Nigeria, Bayelsa, Yenegoa.
67	**SOROMAN NIG. LTD.**	Gada Biu, Nigeria, Plateau, Jos North.
68	**ONYEMOWO**	Suite 18 Wuse Shopping Centre, Nigeria, Abuja, Wuse 2.
69	**NORSKY GLOBAL BUSINESS LTD.**	Kano, Nigeria, Kano, Kano Municipal.
70	**GREAT VIGLADIN INV. NIG LTD.**	No 5 Silver Smith, Badagry, Nigeria, Lagos, Badagry.
71	**DIAPER ARENA**	Mowasola House, 2 Oba Adesida Rd, Nigeria, Ondo, Akure North.
72	**ACHIDA SAIDU USMAN AND SONSMNE**	A40, Gwari Market, Nigeria, Niger, Minna.
73	**A. A KARAYE MOTORS NIG LTD.**	47, Ibrahim Taiwo By Layin Kosai, Nigeria, Kano, Kano Municipal
74	**WOOPET LUBES SHOP**	Offa Garage, Offa, Kwara State, Nigeria, Kwara, Offa.

75	**USTAF GLOBAL RESOURCES LTD.**	No. 3, 2nd Gate By-pass, Tincan Island, Nigeria, Lagos, Apapa.
76	**NUR-KAREEM ENERGY**	Yaman Filling Station, Plot 499, Tafawa Balewa Road, Tafawa Balewa Way, Garki Abuja., Nigeria, Abuja, Garki.
77	**ARONU MOTORS CO. NIG LTD. (10007762)**	No 71 Jubilee road, Aba, Nigeria, Abia, Aba.
78	**GREAT KEN-MOH WAREHOUSE**	10, Brodrick Street, Coal Camp, Nigeria, Enugu, Enugu North.
79	**HOLIGAN GLOBAL SERVICES LTD.**	16, Oluwaleimu Street, Off Toyin Street, Ikeja, Lagos, Nigeria, Lagos, Ikeja.
80	**S.C DUBINSON NIG. LTD.**	Suite A2, Ndamela House, Tafawa Balewa Way, Area 3, Nigeria, Abuja, Garki.
81	**USMAN NAGARTA OIL AND GAS**	Opposite Sunnah Hospital Unguwan Rimi, Nigeria, Plateau, Jos North.
82	**ANGELA ADELOLA LTD.**	MRS Filling Station Ondo/Akure, Akure, Ondo State, Nigeria, Ondo, Akure North.
83	**OSAYOMWANBOR NIG ENTERPRISE**	22, Kadiri Street, Off Oregun Road, Alausa, Ikeja, Lagos State, Nigeria, Lagos, Ikeja.
84	**AD OIL COMPANY LTD.**	1 Gaskiya Road, Nigeria, Kaduna, Zaria.
85	**CHINOCHUKS AUTO LTD.**	35 Bank Road New Garage Park, Nigeria, Benue, Makurdi.
86	**HIFEB VENTURES**	No 2, Miracle Avenue Junction, Magboro, Akeran, Ogun state, Nigeria, Ogun, Abeokuta North.
87	**BARHOK PETROLEUM LTD.**	Plot 923,6th Avenue By 13th Road MRS Filling Station, Festac Town, Nigeria, Lagos, Amuwo-Odofin.
88	**OSIKHENA COMPANY NIG LTD.**	Asero Road Behind Asero Garage, Nigeria, Ogun, Abeokuta North.
89	**OLA-OBI TRADINGS STORES**	2 Keeji Street Ogijo, Nigeria, Lagos, Ikorodu.
90	**BAPPA HASSAN**	No 5 Bypass Bomala Bridge, Nigeria, Gombe, Gombe.
91	**MRS COOPERATIVE**	5 Alapata road Navy Dockyard, Nigeria, Lagos, Apapa.
92	**EDDY BRAZIL OIL NIG**	Nnewi, Nigeria, Anambra, Nnewi.
93	**SHAVEY VENTURES LTD.**	2, Otukpa Branch, Otukpa, Nigeria, Benue, Oturkpo.
94	**ONYEFEE ZEE NIG LTD.**	Mechanic Village, Azuiyi Udene, Nigeria, Ebonyi, Abakaliki.
95	**ONUORAH JOSEPHINE MRS**	B6/4 New Auto Parts Nkpor, Ugwumba, Nigeria, Enugu, Enugu.
96	**ADOLF HYMAN NIG LTD.**	Ogbete, Nigeria, Enugu, Enugu.
97	**JOY ADDAMMA CHIDI**	E8/9 New Auto Spare Parts, Nigeria, Anambra, Onitsha.
98	**DIVINE MERCY LOGISTICS**	89, Uselu Lagos Road, Nigeria, Edo, Benin City.
99	**MOHAMMED RAWA GANA**	2 Kano Motor Park, Nigeria, Borno, Maiduguri.
100	**ETHICAL AUTODYNAMICS LTD.**	ASPAMDA, Nigeria, Lagos, Ojo.

101	**DE GREAT ADE DE YOUNG ENTERPRISE**	Favour Plaza Suit 3-5 Beside Zone A Block 3, Nigeria, Lagos, Ojo.
102	**GLOBAL BULK FUELS LTD.**	137 Aba Road, Nigeria, Rivers, Port-Harcourt.
103	**DANBERTO INT. NIG.**	Zone D3 Shop 2 Aspamda, Nigeria, Lagos, Ojo.
104	**OPARA EUGENE**	110 M/M Highway, Nigeria, Cross River, Calabar Municipality.
105	**AYM SHAFA WAREHOUSE**	Muda Lawal Market, Nigeria, Bauchi, Bauchi.
106	**A. S. PAJA OIL AND GAS NIGERIA**	Chalawa Road, Jimeta, Nigeria, Adamawa, Yola North.
107	**NOBIS &ASSOCIATES NIG.**	Block B, Zone 3, Shop 12 Aspamda, Nigeria, Lagos, Ojo.
108	**CHUCHORL NIGERIA LIMITED**	Central Zone C, Block 1, Shop 35, Aspamda Plaza International, Nigeria, Lagos, Ojo.
109	**BEDRUBO GROUP (CHUBA NIG. VENTURES)**	128 Jakpa Road Effurun, Nigeria, Delta, Warri Central.
110	**HAMISU DANTINKI MOTORS**	No 275 Naibawa C. Park Zaria Road, Nigeria, Kano, Kano Municipal.
111	**MASID MULTI PURPOSE SERVICES LTD.**	5 Zoo Road, Nigeria, Kano, Kano Municipal.
112	**A.K HASKE MULTI TRADE VENTURES**	No 407 Unguwa Uku Garage, Nigeria, Kano, Tarauni.
113	**R. N. IWOBI**	Shop 21 Zungeru Road, Nigeria, Kano, Kano Municipal.
114	**CLEGEE NIGERIA LTD.**	Zone A, Block 12, Shop 7 Aspamda, Nigeria, Lagos, Ojo.
115	**EMBASI FORD VENTURES.**	No 1, Blessed Madu Plaza, Labaowo Street, Ogunpa.
116	**UNIQUE ADONAI GLOBAL COMPANY LTD.**	No 9 Dosemu Street, Off Police Post.
117	**EMMY TOP KINGS INT. LTD.**	No 33, Ibadan Street, Ebute-Metta, Lagos, Nigeria.
118	**BONNY KING O.N NIGERIA LTD**	No 50, Bridge Street, Idumota, Lagos, Nigeria.
119	**SAMBA FULANI NIGERIA LTD.**	2, Nguru Road, Gashua, Yobe State, Nigeria.
120	**OSECHEM NIGERIA LTD.**	2, Israel Kuponiyi Lane, Ajao Estate, Anthony, Lagos, Nigeria.
121	**SANPERIO NIGERIA LTD.**	4 Wema Terrace, Off Udi Street, Osborne Foreshore Estate, Lagos, Nigeria.
122	**VURIN LIMITED**	Waterfront Plaza, Plot 270, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria.

CORPORATE | DIRECTORY

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Apapa, Lagos
P.M.B. 1083, LAGOS
E-mail inquiries@mrsholdings.com

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

We the undersigned hereby certify the following with regards to the financial report for the year ended December 31, 2023 that:

(a) We have reviewed the Report;
(b) To the best of our knowledge, the Report does not contain:

- (i) Any untrue statement of a material fact, or
- (ii) Omit to state a material fact, which would make the statements, misleading in the light of the circumstances under which such statements were made;

(c) To the best of our knowledge, the Financial Statements and other financial information included in the Report fairly present in all material respects the financial condition and results of operation of the Company as of and for the periods presented in the Report.

(d) We:
- (i) Are responsible for establishing and maintaining internal controls.
- (ii) Have designed such internal controls to ensure that material information relating to the Company, particularly during the period in which the periodic reports are being prepared;

(e) We have disclosed to the Auditors of the Company and the Audit Committee:
- (i) Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls.

Mr. Marco Storari	**Mr. Samson Adejonwo**	**Dr. Amobi D. Nwokafor**
(Managing Director)	(Chief Finance Officer)	(Director)
FRC/2020/003/00000022038	FRC/2020/001/00000021998	FRC/2013/ICAN/00000002770

PROXY CARD

THE ANNUAL GENERAL MEETING OF MRS OIL NIGERIA PLC (THE COMPANY) WILL BE HELD AT ____________________ the ______________________ Lagos, Nigeria, on _____________, 2024 AT 11.00 A.M. (THE MEETING).

I/We*____

of____

____being a member/members of MRS OIL NIGERIA PLC hereby appoint ____

or failing him/her, the Chairman of the Meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on ____________, ________, 2024 and adjournment thereof.

Dated this ______________________________ day of ______________________________________ 2024.

Signature ____

NUMBER OF SHARES

	PROPOSED RESOLUTIONS	FOR	AGAINST
1.	To lay the Audited Financial Statements for the year ended 31st December 2023 and the Reports of the Directors, Audit Committee and Auditors Report thereon.		
2.	To declare a dividend. A Final Dividend of 236 kobo for every share of 50 kobo, subject to appropriate withholding tax and approval will be paid to shareholders whose names appear in the Register of Members as at the close of business on 28th day of June, 2024.		
3.	To re-elect Directors under Articles 90/91 of the Company's Articles of Association: • Dr. Amobi Nwokafor • Mrs. Priscilla Ogwemoh		
4.	To appoint External Auditors		
5.	To authorize the Directors to fix the remuneration of the Auditors.		
6.	To elect the Members of the Audit Committee.		
7.	To disclose the remuneration of the Managers of the Company.		
8.	To consider and if thought fit, pass the following resolutions as Ordinary Resolutions: To fix the remuneration of the Directors.		
9.	To renew the general mandate for Related Party Transactions.		
10.	**To consider and if thought fit, pass the following resolutions as Ordinary Resolutions: That the Articles of Association of the Company be and are hereby altered by deleting the present Article 9 and subsisting the following new Article below in its place:** Article 9 to read "Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within three months after said allotment or lodgment of transfer (or within such other period as the conditions of issue provide)" one certificate for all his shares or several certificates each for one or more of his shares upon payment of Five Thousand Naira only for every certificate after the first or such less sum as the Directors shall from time to time determine. Every certificate shall specify the shares to which it relates and the amount paid up thereon. Provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one or several joint holders shall be sufficient delivery to all such holders".		
11	**That the Articles of Association of the Company be and are hereby altered by deleting the present Article 10 and subsisting the following new Article below in its place:** Article 10 to read " Every certificate for shares or debentures or representing any other form of security (other than letters of allotment or scrip certificates) may be under the Seal and shall bear the autographic signature of one or more Directors or with one Director and the Secretary but so that the Directors may by resolution determine either generally or in any particular case, that the signature of any Director or of the Secretary may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such resolution restricted to certificates which have first been approved for Sealing by the Company. A member who has transferred part of his shares comprised in a share certificate shall be entitled to receive without payment and within three month after the lodgment of the transfer of the shares transferred a certificate in respect of the shares not transferred. If a share certificate be defaced, lost or destroyed it may be renewed on payment of such sum not exceeding Five Thousand Naira and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence as the Directors think fit".		

12	**That the Articles of Association of the Company be and are hereby altered by deleting the present Article 19 and subsisting the following new Article below in its place:** Article 19 to read "If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment and such rate shall not exceed the current bank rate per annum".		
13.	**That the Articles of Association of the Company be and are hereby altered by deleting the present Article 21 and subsisting the following new Article below in its place:** Article 21 to read "The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) the current bank rate per annum".		
14.	**That the Articles of Association of the Company be and are hereby altered by deleting the present Article 71 and subsisting the following new Article below in its place:** Article 71 to read "The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed office or a notarially certified copy of that power or authority shall be deposited at the office or at such other place within Nigeria as may be specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or in the case of a poll, less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid".		
15.	**That the Articles of Association of the Company be and are hereby altered by deleting the present Article 122 and subsisting the following new Article below in its place:** Article 122 to read "When the company sends dividends to its members but fails to send to some other members due to omission, the dividends will accrue interest at the prevailing bank rate starting three months after the day they should have been posted".		
16.	**That the Articles of Association of the Company be and are hereby altered by deleting the present Article 136 and subsisting the following new Article below in its place:** Article 136 to read "If the Company shall be wound up, the Liquidator may with the sanction of an special resolution of the Company and any other sanction required by the Act divide amongst the members in specie or kind, the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability".		

ADMISSION CARD
MRS OIL NIGERIA PLC

ANNUAL GENERAL MEETING TO BE HELD .... 2024 AT 11 a.m.

NAME OF SHAREHOLDER: ....

SIGNATURE OF PERSON ATTENDING: ....

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

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

If you are unable to attend the Meeting, read the following instructions carefully:
(a) Write your name in BLOCK CAPITALS on the proxy form where marked *
(b) Write the name of your proxy **, and ensure the proxy form is dated and signed by you. The common seal should be affixed on the proxy form if executed by a corporation.
The proxy form must be posted as to reach the address below not later than 48 hours before the time for holding the Meeting.

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

E-DIVIDEND FORM

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

Dear Sir,

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

NAME OF BANK ____________ BRANCH ____________

BANK ADDRESS ____________

BANK ACCOUNT NO ____________

SORT CODE ____________ BVN NO ____________

CSCS NO ____________

SHAREHOLDERS SURNAME ____________ TITLE ____________

OTHER NAMES

FULL ADDRESS: ____________

MOBILE (GSM) NO ____________ LAND LINE ____________

EMAIL ____________ FAX ____________

SHAREHOLDER'S SIGNATURE(S)

1. ____________
2. ____________

BANK'S AUTHORISED SIGNATURES/STAMP

3. ____________
4. ____________

5. ____________

Company Seal

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

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ELECTRONIC ANNUAL REPORT

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

YES ____________ NO ____________

@mrsoilnigeriaplc

2023 Annual Report and Accounts

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