OANDO PLC

Unaudited consolidated interim financial statements
31 March 2016

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OANDO PLC
INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016 AND 31 DECEMBER 2015

	NOTE	31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Dec-15 Group N'000	31-Dec-15 Company N'000
Assets					
Non-current assets					
Property, plant and equipment	4	239,984,970	477,871	223,127,246	511,583
Intangible assets	5	255,675,802	273,734	252,518,881	283,082
Investment in an associate		2,530,463	2,716,431	2,530,813	2,716,431
Deferred income tax assets		36,077,786	-	35,042,529	-
Derivative financial assets		14,259,549	-	14,591,951	-
Finance lease receivables		43,666,333	-	43,589,953	-
Non-current receivables	7	6,794,544	-	7,096,971	-
Available-for-sale financial assets	6	3,533	3,533	5,067	5,067
Prepayments		11,931	11,931	13,811	13,811
Restricted cash	10	9,600,301	240,613	8,309,408	241,167
Investment in subsidiaries		-	57,988,398	-	57,988,399
		608,605,212	61,712,511	586,826,630	61,759,540
Current assets					
Inventories	8	5,208,324	-	2,265,218	-
Finance lease receivables		243,413	-	232,328	-
Derivative financial assets		7,546,591	-	10,262,018	-
Trade and other receivables	9	104,276,359	209,521,299	75,299,583	206,042,583
Prepayments		845,048	133,306	807,984	147,313
Available-for-sale financial assets	6	95,875	94,803	132,135	131,063
Cash and cash equivalents (excluding bank overdrafts)	10	4,820,393	876,945	14,613,568	1,939,965
		123,036,003	210,626,353	103,612,834	208,260,924
Assets of disposal group classified as held for sale	17bi,biii	193,891,623	19,795,219	255,881,845	19,795,219
Total assets		925,532,838	292,134,083	946,321,309	289,815,683
Equity and Liabilities					
Equity attributable to owners of the parent					
Share capital	14	6,017,309	6,017,309	6,017,309	6,017,309
Share premium	15	174,806,923	174,806,923	174,806,923	174,806,923
Retained loss		(195,599,577)	(150,156,659)	(199,723,265)	(134,633,774)
Other reserves		55,961,704	-	55,750,740	-
		41,186,359	30,667,573	36,851,707	46,190,458
Non controlling interest		14,029,177	-	14,042,219	-
Total Equity		55,215,536	30,667,573	50,893,926	46,190,458
Liabilities					
Non-current liabilities					
Borrowings	12	22,293,479	2,071,429	55,998,437	1,734,773
Deferred income tax liabilities		150,721,229	-	155,907,424	-
Provision and other liabilities	13	63,022,473	-	41,499,048	-
Retirement benefit obligation		1,483,194	773,197	1,487,923	850,598
		237,520,375	2,844,626	254,892,832	2,585,371
Current liabilities					
Trade and other payables	11	181,235,198	159,706,210	132,777,613	141,619,762
Borrowings	12	191,770,249	88,378,829	159,818,177	88,402,429
Derivative financial liabilities		5,160,802	5,160,802	5,160,802	5,160,802
Current income tax liabilities		50,125,633	1,291,661	49,643,097	1,772,479
Dividend payable		1,650,277	1,650,277	1,650,277	1,650,277
Provision and other liabilities	13	2,434,105	2,434,105	2,434,105	2,434,105
		432,376,264	258,621,884	351,484,071	241,039,854
Liabilities of disposal group classified as held for sale	17bii	200,420,663	-	289,050,480	-
Total liabilities		870,317,302	261,466,510	895,427,383	243,625,225
Total equity and liabilities		925,532,838	292,134,083	946,321,309	289,815,683

The accounting policies and notes form an integral part of these interim financial statements.

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OANDO PLC
INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 MARCH 2016 AND 31 MARCH 2015

		31-Mar-16		31-Mar-15	
	NOTE	Group	Company	Group	Company
Continuing operations		N'000	N'000	N'000 Restated	N'000
Revenue	3.3	27,725,309	-	30,649,940	-
Cost of sales		(22,786,035)	-	(16,782,884)	-
Gross profit		4,939,274	-	13,867,056	-
Selling and marketing costs		(37,920)	-	(12,272)	
Administrative expenses		(15,650,325)	(6,157,977)	(16,485,450)	(6,533,926)
Other operating income		4,748,826	124,823	3,305,758	3,301,832
Operating (loss)/profit	3.3	(6,000,145)	(6,033,154)	675,092	(3,232,094)
Finance income		1,555,046	61,964	708,862	234,145
Finance costs		(14,210,102)	(9,551,695)	(12,720,658)	(6,171,848)
Finance costs - net	3.3	(12,655,056)	(9,489,731)	(12,011,796)	(5,937,703)
Share of (loss)/profit of an associate		(350)	-	22	-
Loss before income tax from continuing operations	3.3	(18,655,551)	(15,522,885)	(11,336,682)	(9,169,797)
Income tax credit/(expense)	3.3	4,783,428	-	(1,016,717)	(89,409)
Loss for the period from continuing operations		(13,872,123)	(15,522,885)	(12,353,399)	(9,259,206)
Discontinued operations					
Profit/(loss)after tax for the period from discontinued operations	17a	17,973,479	-	(8,558,215)	-
Profit/(loss) for the period		4,101,356	(15,522,885)	(20,911,614)	(9,259,206)
Profit/(loss) attributable to:					
Equity holders of the parent		4,123,688	(15,522,885)	(20,771,594)	(9,259,206)
Non-Controlling interests		(22,332)	-	(140,020)	-
		4,101,356	(15,522,885)	(20,911,614)	(9,259,206)

Earnings per share from continuing and discontinued operations attributable to ordinary equity holders of the parent during the period: (expressed in kobo per share)

Basic and diluted earnings/(loss) per share	16		
From continuing operations		(116)	(134)
From discontinued operations		150	(94)
From profit/(loss) for the period		34	(229)

The accounting policies and notes form an integral part of these interim financial statements.

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OANDO PLC
INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016 AND 31 MARCH 2015

	31-Mar-16		31-Mar-15	
	Group N'000	Company N'000	Group N'000 Restated	Company N'000
Profit/(loss) for the period	4,101,356	(15,522,885)	(20,911,614)	(9,259,206)
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	126,597	-	9,866,797	-
Fair value loss on available for sale financial assets	-	-	8,107	8,107
Other comprehensive income for the period, net of tax	126,597	-	9,874,904	8,107
Total comprehensive income/(loss) for the period	4,227,953	(15,522,885)	(11,036,710)	(9,251,099)
Attributable to:				
- Equity holders of the parent	4,240,995	(15,522,885)	(11,850,431)	(9,251,099)
- Non-controlling interests	(13,042)	-	813,721	-
	4,227,953	(15,522,885)	(11,036,710)	(9,251,099)

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GROUP	Share Capital & Share Premium N'000	Other reserves N'000	Retained earnings N'000	Equity holders of parent N'000	Non controlling interest N'000	Total equity N'000
Balance as at 1 January 2015	136,096,566	45,342,918	(150,300,361)	31,139,123	12,471,648	43,610,771
Loss for the period	-	-	(20,771,594)	(20,771,594)	(140,020)	(20,911,614)
Other comprehensive income for the period	-	8,921,163	-	8,921,163	953,741	9,874,904
Total comprehensive income for the period	136,096,566	54,264,081	(171,071,955)	19,288,692	13,285,369	32,574,061
Total transactions with owners of the parent, recognised directly in						
Value of employee services	-	73,065	-	73,065	-	73,065
Proceeds from shares issued	-	-	-	-	128,236	128,236
Total transaction with owners	-	73,065	-	73,065	128,236	201,301
Change in ownership interests in subsidiaries that do not result in a loss of control	-	234,412	(6,563)	227,849	(227,849)	-
Total transactions with owners of the parent, recognised directly in	-	307,477	(6,563)	300,914	(99,613)	201,301
Balance as at 31 March 2015	136,096,566	54,571,558	(171,078,518)	19,589,606	13,185,756	32,775,362
Balance as at 1 January 2016	180,824,232	55,750,740	(199,723,265)	36,851,707	14,042,219	50,893,926
Profit for the period	-	-	4,123,688	4,123,688	(22,332)	4,101,356
Other comprehensive income for the period	-	117,307	-	117,307	9,290	126,597
Total comprehensive income for the period	180,824,232	55,868,047	(195,599,577)	41,092,702	14,029,177	55,121,879
Total transactions with owners of the parent, recognised directly in equity						
Value of employee services	-	93,657	-	93,657	-	93,657
Total transactions with owners of the parent, recognised directly in equity	-	93,657	-	93,657	-	93,657
Balance as at 31 March 2016	180,824,232	55,961,704	(195,599,577)	41,186,359	14,029,177	55,215,536

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COMPANY	Share Capital N'000	Retained N'000	Total equity N'000
Balance as at 1 January 2015	136,096,566	(107,794,336)	28,302,230
Loss for the period	-	(9,259,206)	(9,259,206)
Other comprehensive income for the period	-	8,107	8,107
Balance as at 31 March 2015	136,096,566	(117,045,435)	19,051,131
Balance as at 1 January 2016	180,824,232	(134,633,774)	46,190,458
Loss for the period	-	(15,522,885)	(15,522,885)
Total comprehensive income for the period	180,824,232	(150,156,659)	30,667,573
Balance as at 31 March 2016	180,824,232	(150,156,659)	30,667,573

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OANDO PLC
INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016 AND 31 MARCH 2015

	NOTE	31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Mar-15 Group N'000	31-Mar-15 Company N'000
Cash flows from operating activities					
Net cash flow from operating activities before changes in working capital	18	5,518,372	(5,924,040)	40,218,756	(3,257,997)
Net decrease/(increase) in working capital	19	20,572,751	14,546,218	76,712,488	51,045,104
Income tax paid		(575,114)	(480,818)	(5,689,017)	(21,187)
Interest paid		(15,412,155)	(9,551,695)	(13,872,854)	(6,171,848)
Net cash from/(used in) operating activities		10,103,854	(1,410,335)	97,369,373	41,594,072
Cash flows from investing activities					
Purchase of property plant and equipment		(4,112,386)	(27,394)	(8,977,175)	(38,413)
Acquisition of software		(965)	(965)	(79,273)	(79,274)
Purchase of intangible exploration assets		(1,108,385)	-	(107,846)	-
Payments relating to pipeline construction		(2,907,915)	-	(1,708,763)	-
Increase in finance lease investment		-	-	(2,238,084)	-
Proceeds from sale of property plant and equipment		35,955	100	42,225	-
Interest received		926,946	61,964	1,619,340	234,145
Cash (used in)/from investing activities		(7,166,750)	33,705	(11,449,576)	116,458
Cash flows from financing activities					
Proceeds from long term borrowings		4,274,619	4,479,512	-	-
Repayment of long term borrowings		(108,233,983)	(8,622,369)	(63,749,871)	(4,142,857)
Proceeds from issue of OER shares		-	-	128,236	-
Repayment of other short term borrowings		(66,995,983)	(18,462,404)	(24,168,041)	(42,451,642)
Proceeds from other short term borrowings		152,718,431	20,663,754	-	2,003,006
Restricted cash - (increase)/decrease		(594,218)	554	7,188,182	-
Net cash used in financing activities		(18,831,135)	(1,940,953)	(80,601,494)	(44,591,493)
Net change in cash and cash equivalents		(15,894,031)	(3,317,583)	5,318,303	(2,880,963)
Cash and cash equivalent at the beginning of the period		(48,781,363)	(26,128,902)	(26,239,978)	(461,943)
Exchange difference		(3,772)	13,455	2,924,453	-
Cash and cash equivalents at end of the period		**(64,679,166)**	**(29,433,030)**	**(17,997,222)**	**(3,342,906)**
Cash and cash equivalents at 31 March 2016:					
Included in cash and cash equivalents per statement of financial position		(28,126,432)	(29,433,030)	1,332,200	(3,342,906)
Included in the assets of the disposal group		(36,552,734)	-	(19,329,422)	-
		(64,679,166)	**(29,433,030)**	**(17,997,222)**	**(3,342,906)**
Cash at period end is analysed as follows:					
Cash and bank balance		4,820,393	876,945	7,304,833	1,051,932
Bank overdrafts		(32,946,825)	(30,309,975)	(5,972,633)	(4,394,838)
	10b	(28,126,432)	(29,433,030)	1,332,200	(3,342,906)

The accounting policies and notes form an integral part of these interim financial statements.

1. General information

Oando Plc. (formerly Unipetrol Nigeria Plc.) was registered by a special resolution as a result of the acquisition of the shareholding of Esso Africa Incorporated (principal shareholder of Esso Standard Nigeria Limited) by the Federal Government of Nigeria. It was partially privatised in 1991 and fully privatised in the year 2000 following the disposal of the 40% shareholding of Federal Government of Nigeria to Ocean and Oil Investments Limited and the Nigerian public. In December 2002, the Company merged with Agip Nigeria Plc. following its acquisition of 60% of Agip Petrol's stake in Agip Nigeria Plc. The Company formally changed its name from Unipetrol Nigeria Plc. to Oando Plc. in December 2003.

Oando Plc. (the "Company") is listed on the Nigerian Stock Exchange and the Johannesburg Stock Exchange. The Company conducts downstream business through a wholly owned subsidiary named Oando Marketing Plc. Oando Marketing Plc. has retail and distribution outlets in Nigeria, Ghana and Togo. In addition, the Company retained 100% interest in Oando Trading Bermuda (OTB) and Oando Supply & Trading (OST). OTB supply petroleum products to marketing companies and large industrial customers.

The Group provides energy services to Exploration and Production (E&P) companies through its fully owned subsidiary, Oando Energy Services. The Group also operates in the E&P sector through Oando Energy Resources Inc. ("OER"). Other subsidiaries within the Group and their respective lines of business including Gas and Power, are shown in note 3.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of Oando Plc. have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The interim consolidated financial statements are presented in Naira, rounded to the nearest thousand, and prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2.2 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has power or control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the entity's return. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. In the separate financial statement, investment in subsidiaries is measured at cost less accumulated impairments. Investment in subsidiary is impaired when its recoverable amount is lower than its carrying value. The Group considers all facts and circumstances', including the size of the Group's voting rights relative to the size and dispersion of other vote holders in the determination of control.

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred non-controlling interest recognised and previously held interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, amounts, balances and income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from transactions that are recognised in assets are also eliminated. Accounting policies and amounts of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Disposal of subsidiaries

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

(iii) Investment in Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in the associate's net assets after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss.

In the separate financial statements of the Company, Investment in associates are measured at cost less impairment. Investment in associate is impaired when its recoverable amount is lower than its carrying value.

(iv) Foreign currency translation

These consolidated financial statements are presented in Naira, which is the Group's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(v) Transactions and balances in Group entities
Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing on the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. except when deferred in other comprehensive income as qualifying cashflow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'other (losses)/gains – net'. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(vi) Consolidation of Group entities
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position items presented, are translated at the closing rate at the reporting date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at a rate on the dates of the transactions) ; and
- all resulting exchange differences are recognised in other comprehensive income.

2.3 Other significant accounting policies

(a) Segment reporting
Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Leadership Council (GLC).

(b) Property, Plant and Equipment

All categories of property, plant and equipment are initially recorded at cost. Buildings and freehold land are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less depreciation.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. An asset's carrying amount is written down immediately to its recoverable amount if the it is greater than its estimated recoverable amount.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Depreciation
Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	20 – 50 years	(2 – 5%)
Plant and machinery	8 – 20 years	(5 – $12^{1}/2$ %)
Equipment and motor vehicles	3 – 5 years	(20 – $33^{1}/3$ %)

(c) Intangible assets

(i) Goodwill

Goodwill arises from the acquisition of subsidiaries and is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any interest previously held over the net identifiable assets acquired, liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to cash-generating units (CGU's) for the purpose of impairment testing. The allocation is made to those CGU's expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Each unit or group of units to which goodwill is allocated represents the lower level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using straight line method to allocate the cost over their estimated useful lives of three to five years. The amortisation period is reviewed at each balance sheet date. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

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(iii) Concession contracts

The Group, through its subsidiaries have concession arrangements to fund, design and construct gas pipelines on behalf of the Nigerian Gas Company (NGC). The arrangement requires the Group as the operator to construct gas pipelines on behalf of NGC (the grantor) and recover the cost incurred from a proportion of the sale of gas to customers. The arrangement is within the scope of IFRIC 12.

(d) Upstream activities

Exploration and evaluation assets
Exploration and evaluation ("E&E") assets represent expenditures incurred on exploration properties for which technical feasibility and commercial viability have not been determined. E&E costs are initially capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired, these costs include acquisition of rights to explore, exploration drilling, carrying costs of unproved properties, and any other activities relating to evaluation of technical feasibility and commercial viability of extracting oil and gas resources. The Corporation will expense items that are not directly attributable to the exploration and evaluation asset pool. Costs that are incurred prior to obtaining the legal right to explore, develop or extract resources are expensed in the statement of income (loss) as incurred. Costs that are capitalized are recorded using the cost model with which they will be carried at cost less accumulated impairment. Costs that are capitalized are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

Once technical feasibility and commercial viability of extracting the oil or gas is demonstrable, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within Property Plant and Equipment ("PP&E") referred to as oil and gas development assets and oil and gas assets. If it is determined that commercial discovery has not been achieved, these costs are charged to expense. Pre-license cost are expensed in the profit or loss in the period in which they occur

Oil and gas assets
When technical feasibility and commercial viability is determinable, costs attributable to those reserves are reclassified from E&E assets to a separate category within Property Plant and Equipment ("PP&E") referred to as oil and gas properties under development or oil and gas producing assets. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the statement of comprehensive loss as incurred.

Oil and gas assets are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Oil and gas assets are incorporated into Cash Generating Units "CGU's" for impairment testing.

(e) Impairment of assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(f) Non current receivable - pipeline cost recovery

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

(g) Production underlift and overlift

The Group receives lifting schedules for oil production generated by the Group's working interest in certain oil and gas properties. These lifting schedules identify the order and frequency with which each partner can lift. The amount of oil lifted by each partner at the balance sheet date may not be equal to its working interest in the field. Some partners will have taken more than their share (overlifted) and others will have taken less than their share (underlifted). The initial measurement of the overlift liability and underlift asset is at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase. Overlift balances are subsequently measured at fair value, while Underlift balances are carried at lower of carrying amount and current fair value.

(h) Inventories

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

(i) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment (more than 90 days overdue), are the indicators that a trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss within administrative costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the profit or loss.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If collection is expected within the normal operating cycle of the Group they are classified as current, if not they are presented as non-current assets.

(j) Cash and cash equivalents

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

(k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The Group has designated certain borrowings at fair value with changes in fair value recognised through P&L.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except when they are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. These are added to the cost of the assets, until such a time as the assets are substantially ready for their intended use or sale

Convertible debts

On issue, the debt and equity components of convertible bonds are separated and recorded at fair value net of issue costs. The fair value of the debt component is estimated using the prevailing market interest rate for similar non-convertible debt. This amount is classified as a liability and measured on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and is recognised in equity, net of income tax effects. The carrying amount of the equity component is not re-measured in subsequent years.

(l) Current and deferred income tax

Income tax expense is the aggregate of the charge to profit or loss in respect of current and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. Education tax is provided at 2% of assessable profits of companies operating within Nigeria. Tax is recognised in the income statement except to the extent that it relates to items recognised in OCI or equity respectively. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Current income deferred tax is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Employee benefits

(i) Retirement benefit obligations

Defined contribution scheme

The Group operates a defined contribution retirement benefit schemes for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to the defined contribution plan are charged to the profit or loss in the year to which they relate. The assets of the scheme are funded by contributions from both the Group and employees and are managed by pension fund custodians.

Defined benefit scheme

The Group operates a defined benefit gratuity scheme in Nigeria, where members of staff who have spent 3 years or more in employment are entitled to benefit payments upon retirement. The benefit payments are based on final emolument of staff and length of service. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of gratuity benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the market rates on government bonds that have terms to maturity approximating to the terms of the related pension obligation.

(ii) Employee share-based compensation

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options/ awards) of the Group. The fair value of the employee services received in exchange for the grant of the option/awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, including any market performance conditions(for example, an entity's share prices); excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and including impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to share-based payment reserve in equity.When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Share-based compensation are settled in Oando Plc's shares, in the separate or individual financial statements of the subsidiary receiving the employee services, the share based payments are treated as capital contribution as the subsidiary entity has no obligation to settle the share-based payment transaction. The entity subsequently re-measures such an equity-settled share-based payment transaction only for changes in non-market vesting conditions.

In the separate financial statements of Oando Plc., the transaction is recognised as an equity-settled share-based payment transaction and additional investments in the subsidiary.

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(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss.

Provisions for environmental restoration and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value is a pre-tax rate which reflects current market assessments of the time value of money and the specific risk. The increase in the provision due to the passage of time is recognised as interest expense.

Decommissioning liabilities

A provision is recognised for the decommissioning liabilities for underground tanks described in Note 6. Based on management estimation of the future cash flows required for the decommissioning of those assets, a provision is recognised and the corresponding amount added to the cost of the asset under property, plant and equipment for assets measured using the cost model. For assets measured using the revaluation model, subsequent changes in the liability are recognised in revaluation reserves through OCI to the extent of any credit balances existing in the revaluation surplus reserve in respect of that asset. The present values are determined using a pre-tax rate which reflects current market assessments of the time value of money and the risks specific to the obligation. Subsequent depreciation charges of the asset are accounted for in accordance with the Group's depreciation policy and the accretion of discount (i.e. the increase during the period in the discounted amount of provision arising from the passage of time) included in finance costs.

Estimated site restoration and abandonment costs are based on current requirements, technology and price levels and are stated at fair value, and the associated asset retirement costs are capitalized as part of the carrying amount of the related tangible fixed assets. The obligation is reflected under provisions in the statement of financial position.

(o) Share capital

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the Group's activities and is stated net of value-added tax (VAT), rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

Revenue is recognised as follows:

(i) Sale of goods
Revenue from sales of oil, natural gas, chemicals and all other products is recognized at the fair value of consideration received or receivable, after deducting sales taxes, excise duties and similar levies, when the significant risks and rewards of ownership have been transferred.

'In Exploration & Production and Gas & Power, transfer of risks and rewards generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. For sales to refining companies, it is either when the product is placed on-board a vessel or delivered to the counterparty, depending on the contractually agreed terms. For wholesale sales of oil products and chemicals it is either at the point of delivery or the point of receipt, depending on contractual terms.

'Revenue resulting from the production of oil and natural gas properties in which Oando has an interest with other producers is recognised on the basis of Oando's working interest (entitlement method).

'Sales between subsidiaries, as disclosed in the segment information.

(ii) Sale of services
Sales of services are recognised in the period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

(a) the amount of revenue can be measured reliably;
(b) it is probable that the economic benefits associated with the transaction will flow to the entity;
(c) the stage of completion of the transaction at the reporting date can be measured reliably; and
(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the Energy Services segment, revenue on rig and drilling services rendered to customers is recognised in the accounting period in which the services are rendered based on the number of hours worked at agreed contractual day rates. The recognition of revenue on this basis provides useful information on the extent of service activity and performance during the period.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iii) Dividend
Dividend income is recognised when the right to receive payment is established.

(iv) Interest income
Interest income is recognized using the effective interest method. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

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(v) Construction contracts
In Gas & Power, revenue from construction projects is recognized in accordance with IAS 11 Construction Contracts with the use of the percentage-of-completion method provided that the conditions for application are fulfilled. The percentage of completion is mainly calculated on the basis of the ratio on the balance sheet date of the output volume already delivered to the total output volume to be delivered. The percentage of completion is also calculated from the ratio of the actual costs already incurred on the balance sheet date to the planned total costs (cost-to-cost method). If the results of construction contracts cannot be reliably estimated, revenue is calculated using the zero profit method in the amount of the costs incurred and probably recoverable.

Revenue from the provision of services is recognized in accordance with the percentage of completion method – provided that the conditions for application are fulfilled. In the area of services, percentage of completion is mainly calculated using the cost-to-cost method.

(vi) Take or pay contracts
The Group has entered into gas sale contracts with customers, which contain take-or-pay clauses. Under these contracts, the Company makes a long term supply commitment in return for a commitment from the buyer to pay for minimum quantities, whether or not it takes delivery. These commitments contain protective (force majeure) and adjustment provisions. If a buyer has a right to get a 'make up' delivery at a later date, revenue recognition is deferred. If no such option exists according to the contract terms, revenue is recognised when the take-or-pay penalty is triggered.

(vii) Service concession arrangements
In the context of concession projects, construction services provided are recognized as revenue in accordance with the percentage of completion method. In the operating phase of concession projects, the recognition of revenue from operator services depends upon whether a financial or an intangible asset is to be received as consideration for the construction services provided. If a financial asset is to be received, i.e. the operator receives a fixed payment from the client irrespective of the extent of use, revenue from the provision of operator services is recognized according to the percentage of completion method.

If an intangible asset is to be received, i.e. the operator receives payments from the users or from the client depending on use, the payments for use are recognized as revenue according to IAS 18 generally in line with the extent of use of the infrastructure by the users.

If the operator receives both use-dependent and use-independent payments, revenue recognition is split in accordance with the ratio of the two types of payment.

(q) Leases

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that right is not explicitly specified in an arrangement. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Group as a lessee

Finance leases, which transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss and other comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight line basis over the lease term.

Embedded leases

All take-or-pay contracts and concession contracts are reviewed at inception to determine whether they contain any embedded leases. If there are any embedded leases, they are assessed as either finance or operating leases and accounted for accordingly.

Group as a lessor

Leases where the Group does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Under a finance lease substantially all the risks and rewards incindental to legal ownership are transferred to the lessee, and a lease receivable is recognized which is equal to the net investmen in the lease. The recognition of finance income shall be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(r) Dividend
Dividend payable to the Company's shareholders is recognised as a liability in the consolidated financial statements period in which they are declared (i.e. approved by the shareholders).

(s) Exceptional items
Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to significance of their nature and amount.

(t) Government grant
The Group, through its subsidiaries, benefits from the Bank of Industry (BOI) Scheme where the government through the BOI provide finance to companies in certain industries at subsidised interest rates. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

(u) Offshore processing arrangements

An offshore processing arrangement involves the lifting of crude oil from an owner (usually government/third party) in agreed specifications and quantities for a swap for agreed yields and specifications of refined petroleum products. Under such arrangements, the owner of the crude oil may not attach monetary value to the crude oil delivered to the Group or the refined products received from the Group. Rather, the owner defines the yields and specification of refined products expected from the Group. Sometimes, the owner may request the Group to deliver specific refined products, increase quantity of certain products contrary to previously agreed quantity ratios, or make cash payments in lieu of delivery of products not required ("retained products"). It is also possible that the owner may request the Group to pre-deliver refined products against future lifting of crude oil. Parties to offshore processing arrangements are often guided by terms and conditions codified in an Agreement/Contract. Such terms may include risk and title to crude oil and refined products, free on board or cost, insurance and freight deliveries by counterparties, obligations of counterparties, costs and basis of reimbursements, etc. Depending on the terms of an offshore processing arrangement, the Group may act as a principal or an agent.

The Group acting in the capacity of a principal

The Group acts as a principal in an offshore processing arrangement and has significant risks and rewards associated with the sale of products or rendering of services when the following conditions are met:

• it has the primary responsibility for providing the products or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;
• it has inventory risk before or after the customer order, during shipping or on return;
• it has latitude in establishing prices, either directly or indirectly, for example by providing additional products or services; and
• it bears the customer's credit risk on the receivable due from the customer.

The Group shall recognise revenue from the sale of products when all the following conditions have been satisfied:

• it has transferred to the counterparty the significant risks and rewards of ownership of the products;
• it retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the products sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Group; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The gross amount of the crude oil received by the Group under an offshore processing arrangement represents consideration for the obligation to the counterparty. Risk and rewards transfer to the counter party upon delivery of refined products. At this point, the Group determines the value of crude oil received using the market price on the date of receipt and records the value as revenue. In addition, the Group records processing fees received/receivable from the counterparty as part of revenue. The Group determines the value of refined products at cost and includes the value in cost of sales in the Statement of profit or loss. All direct costs relating to an offshore processing arrangement that are not reimbursable are included in cost of sales, where applicable, in the Statement of profit or loss. Such costs may include processing, freight, demurrage, insurance, directly attributable fees and charges, etc. All expenses, which are not directly related to an offshore processing arrangement is included as part of administrative expenses.

Where the Group lifted crude oil but delivered petroleum products subsequent to the accounting period, it does not record the value of the crude oil received as part of revenue. Rather, the Group records the value of crude oil received as deferred revenue under current liabilities.

Where the Group pre-delivered products in expectation of lifting of crude oil in future, it does not record the value in the Statement of profit or loss in order to comply with the matching concept. Rather, it will deplete cash (where actual payment was done) or increase trade payables and receivables. The Group transfers the amount recognised from trade receivables to cost of sales and recognise the value of crude oil lifted as turnover, when crude oil is eventually lifted in respect of the pre-delivery.

The Group discloses letters of credit and amounts outstanding at the reporting date under contingent liabilities in the notes to the financial statements.

The Group acting in the capacity of an agent

The Group acts as an agent in an offshore processing arrangement where the gross inflows of economic benefits include amounts collected on behalf of a third party. Such amounts do not result in increases in equity for the Group. Thus, the amounts collected on behalf of the counterparty are not revenue. Instead, revenue is the amount of commission earned for acting as an agent. Costs incurred by the Group are done on behalf of the counterparty and they are fully reimbursable.

3.1 Primary reporting format - business segments
At 31 March 2016, the Group was organised into six operating segments as follows:

(i) Exploration and production (E&P) – involved in the exploration for and production of oil and gas through the acquisition of rights in oil blocks on the Nigerian continental shelf and deep offshore.
(ii) Marketing, Refinery and Terminals – involved in the marketing and sale of petroleum products. The Group also has three principal refinery and terminals projects currently planned – the construction of 210,000 MT import terminal in Lekki, the construction of LPG storage facility at Apapa Terminal, and the construction of a marina jetty and subsea pipeline at Lagos Port.
(iii) Supply and Trading – involved in trading of refined and unrefined petroleum products.
(iv) Gas and Power – involved in the distribution of natural gas through the subsidiaries Gaslink and Eastern Horizon. The Group also incorporated two power companies to serve in Nigeria's power sector, by providing power to industrial customers.
(v) Energy Services – involved in the provision of services such as drilling and completion fluids and solid control waste management; oil-well cementing and other services to upstream companies. This segment was discontinued effective 31 March 2016.
(vi) Corporate and others

3.2 The segment results (including discontinued operations) for the period ended 31 March 2016 are as follows:

	Exploration & Production	Marketing, Refining & Terminals	Supply & Trading	Gas & power	Energy Services	Corporate & Other	*Group*
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total gross segment sales	16,400,648	26,088,454	13,337,115	7,825,629	1,993,084	924,176	66,569,106
Inter-segment sales	-	(879,808)	(149,007)	(690,826)	-	(876,709)	(2,596,350)
Revenue from external customers*	16,400,648	25,208,646	13,188,108	7,134,803	1,993,084	47,467	63,972,756
Operating (loss)/profit*	(1,195,891)	(1,098,463)	(1,176,710)	1,158,669	(221,423)	15,335,970	12,802,152
Finance (cost)/income, net*	(3,213,792)	214,213	22,798	179,227	(914,973)	(9,549,814)	(13,262,341)
Share of profit in associate	-	-	-	-	-	(350)	(350)
(Loss)/profit before income tax	(4,409,683)	(884,250)	(1,153,912)	1,337,896	(1,136,396)	5,785,806	(460,539)
Income tax credit/(expense)	5,317,879	(125,663)	(95,870)	(534,451)	-	-	4,561,895
Profit/(loss) for the period	908,196	(1,009,913)	(1,249,782)	803,445	(1,136,396)	5,785,806	4,101,356

*See note 3.3 for reconciliation to the statement of profit or loss

The segment results (including discontinued operations) for the period ended 31 March 2015 are as follows:

	Exploration & Production	Marketing, Refining & Terminals	Supply & Trading	Gas & power	Energy Services	Corporate & Other	*Group*
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total gross segment sales	23,992,537	46,630,294	39,674,944	7,303,000	2,087,796	936,471	120,625,042
Inter-segment sales	-	(3,981,193)	(18,330,317)	(312,735)	-	(931,271)	(23,555,516)
Revenue from external customers*	23,992,537	42,649,101	21,344,627	6,990,265	2,087,796	5,200	97,069,526
Operating profit/(loss)*	2,778,911	(3,785,187)	887,329	1,120,823	(4,650,753)	(3,201,309)	(6,850,186)
Finance (cost)/income, net*	(6,156,564)	430,972	2,506	286,591	(1,087,927)	(6,045,944)	(12,570,366)
Share of profit in associate	-	-	-	-	-	22	22
(Loss)/profit before income tax	(3,377,653)	(3,354,215)	889,835	1,407,414	(5,738,680)	(9,247,231)	(19,420,530)
Income tax expense	(517,901)	(79,979)	(144,388)	(409,407)	(250,000)	(89,409)	(1,491,084)
(Loss)/profit for the period	(3,895,554)	(3,434,194)	745,447	998,007	(5,988,680)	(9,336,640)	(20,911,614)

3.3 Reconciliation of reporting segment information

2016	Revenue	Operating profit/(loss)	Finance cost (net)	(Loss)/profit before income tax	Income tax expense
	N'000	N'000	N'000	N'000	N'000
As reported in the segment report	66,569,106	12,802,152	(13,262,341)	(460,539)	4,561,895
Elimination of inter-segment transactions on consolidation	(2,596,350)	-	-	-	-
Reclassfied as discontinued operations	(36,247,447)	(18,802,297)	607,285	(18,195,012)	221,533
As reported in the statement of profit or loss	27,725,309	(6,000,145)	(12,655,056)	(18,655,551)	4,783,428

2015	Revenue	Operating profit/(loss)	Finance cost (net)	(Loss)/profit before income tax	Income tax expense
	N'000	N'000	N'000	N'000	N'000
As reported in the segment report	120,625,042	(6,850,186)	(12,570,366)	(19,420,530)	(1,491,084)
Elimination of inter-segment transactions on consolidation	(23,555,516)	-	-	-	-
Reclassfied as discontinued operations	(66,419,586)	7,525,278	558,570	8,083,848	474,367
As reported in the statement of profit or loss	30,649,940	675,092	(12,011,796)	(11,336,682)	(1,016,717)

Profit on inter-segment sales have been eliminated on consolidation.

4 Property plant and equipment

(4.1) Group

	Upstream Assets	Land and buildings	Plant and machinery	Fixtures, fittings, motor vehicle and equipment	Construction in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 31 March, 2016						
Cost	290,424,281	1,018,205	12,082,939	3,988,905	878,796	308,393,126
Accumulated Depreciation	(62,951,687)	(18,593)	(3,010,404)	(2,427,472)	-	(68,408,156)
Net book values	227,472,594	999,612	9,072,535	1,561,433	878,796	239,984,970
(4.2) Company						
At 31 March, 2016						
Cost	-	-	154,241	1,308,616	-	1,462,857
Accumulated Depreciation	-	-	(102,269)	(882,717)	-	(984,986)
Net book values	-	-	51,972	425,899	-	477,871
Net book values 31 March, 2016						
Group	227,472,594	999,612	9,072,535	1,561,433	878,796	239,984,970
Company	-	-	51,972	425,899	-	477,871

	31-Mar-16		31-Dec-15	
5 Intangible assets	Group	Company	Group	Company
	N'000	N'000	N'000	N'000
Gas Transmission Pipeline	2,741,845	-	2,917,711	-
E&E	29,057,621	-	28,790,990	-
Goodwill	212,515,692	-	212,311,484	-
Software costs	495,051	273,734	541,019	283,082
Asset under construction	10,865,593	-	7,957,677	-
	255,675,802	273,734	252,518,881	283,082
6 Available-for-sale financial assets				
At start of the year	137,202	136,130	198,831	197,837
Fair value (loss)/gain	-	-	(61,707)	(61,707)
Exchange difference	(37,794)	(37,794)	78	-
	99,408	98,336	137,202	136,130
Non current portion	3,533	3,533	5,067	5,067
Current	95,875	94,803	132,135	131,063
	99,408	98,336	137,202	136,130

		31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Dec-15 Group N'000	31-Dec-15 Company N'000
7	Non current receivable				
	Underlift receivables (a)	14,485,424	9,419,001	14,470,884	9,409,546
	Other non-current receivables (b)	13,652,414	-	13,954,841	-
		28,137,838	9,419,001	28,425,725	9,409,546
	Less: Allowance for impairment of non-current receivables	(21,343,294)	(9,419,001)	(21,328,754)	(9,409,546)
		6,794,544	-	7,096,971	-

(a) Under lift receivables represent the Group's crude oil entitlements as a result of operations on OML 125. The balance is owed by the Nigerian National Petroleum Corporation (NNPC). OER is currently in dispute with the NNPC in relation to certain liftings done by the NNPC in 2008 and 2009. The Group has made full provision for the recievables due to the uncertainty associated with the timing of collectability and the related dispute. The incease in the underlift receivables is as a result of exchange rate differential, which also impacted on the translated accumulated provisions amount.

(b) Other non-current receivables also include a joint venture receivable of N6.8 billion ($34.1 million), which represents the maximum credit risk exposure on this instrument.

		31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Dec-15 Group N'000	31-Dec-15 Company N'000
8	Inventories				
	Finished products	947,244	-	1,181,186	-
	Materials	3,843,761	-	694,670	-
	Consumable materials and engineering stocks	417,319	-	389,362	-
		5,208,324	-	2,265,218	-

		31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Dec-15 Group N'000	31-Dec-15 Company N'000
9	Trade and other receivables				
	Trade receivables	75,180,442	-	56,729,819	-
	Deposit for import	616,017	-	85,297	-
	Other receivables	30,819,219	31,862,955	9,865,237	18,658,396
	Witholding tax receivable	6,221,240	2,877,289	11,395,310	2,877,289
	Amounts due from related companies	-	187,813,681	-	191,755,780
		112,836,918	222,553,925	78,075,663	213,291,465
	Less: Allowance for impairment of other receivables	(8,560,559)	(13,032,626)	(2,776,080)	(7,248,882)
		104,276,359	209,521,299	75,299,583	206,042,583

		31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Dec-15 Group N'000	31-Dec-15 Company N'000
10a	Cash and cash equivalents				
	Cash at bank and in hand	4,820,393	876,945	14,613,568	1,939,965
	Restricted cash	9,600,301	240,613	8,309,408	241,167
		14,420,694	1,117,558	22,922,976	2,181,132

Restricted cash relates to cash collateral and is excluded from cash and cash equivalents for cash flow purposes. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings under current liabilities. The year-end cash and cash equivalents comprise the following:

b	Cash and bank balance as above	4,820,393	876,945	14,613,568	1,939,965
	Bank overdrafts (Note 12)	(32,946,825)	(30,309,975)	(31,020,256)	(28,068,867)
		(28,126,432)	(29,433,030)	(16,406,688)	(26,128,902)

		31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Dec-15 Group N'000	31-Dec-15 Company N'000
11	Trade and other payables				
	Trade payables	120,214,227	3,798,793	80,868,374	3,480,262
	Other payables	31,906,537	36,835,019	27,459,158	29,205,204
	Accrued expenses	14,423,659	3,943,738	9,981,686	3,924,112
	Amounts due to related companies	-	115,128,660	-	105,010,184
	Deferred income	14,690,775	-	14,468,395	-
		181,235,198	159,706,210	132,777,613	141,619,762

		31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Dec-15 Group N'000	31-Dec-15 Company N'000
12	Borrowings				
	Current				
	Bank overdraft	32,946,825	30,309,975	31,020,256	28,068,867
	Bank loans	121,585,392	20,830,822	91,559,889	23,095,530
	Convertible note	36,468,954	36,468,954	36,468,954	36,468,954
	Other third party debt	769,078	769,078	769,078	769,078
		191,770,249	88,378,829	159,818,177	88,402,429
	Non-current				
	Non-current bank loan	22,293,479	2,071,429	55,998,437	1,734,773
	Total borrowings	214,063,728	90,450,258	215,816,614	90,137,202

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		31-Mar-16		31-Dec-15	
		Group	Company	Group	Company
		N'000	N'000	N'000	N'000
13	Provision and other liabilities				
	Oil and gas fields	63,022,473	-	41,499,048	-
	Other liabilities	2,434,105	2,434,105	2,434,105	2,434,105
	Balance, end of period	65,456,578	2,434,105	43,933,153	2,434,105

The decommissioning provision represent the present value of decommissioning cost relating to oil & gas assets. These provisions have been created based on internal estimates, and the estimates are reviewed regularly to take account of material changes to the assumptions. A corresponding amount is included under property, plant and equipment and depreciated in accordance with the group policy.

		31-Mar-16		31-Dec-15	
		Group	Company	Group	Company
14	Share capital	N'000	N'000	N'000	N'000
	Authorised:				
	15,000,000,000 Ordinary shares of 50k each	7,500,000	7,500,000	7,500,000	7,500,000
	Issued and fully paid:				
	At beginning of the period				
	12,034,618,894 ordinary shares of 50k each (2015: 9,084,685,738 Ordinary shares of 50k each)	6,017,309	6,017,309	4,542,343	4,542,343
	Additions:				
	2015: 2,949,933,156 ordinary shares of 50k each - Rights issue	-	-	1,474,966	1,474,966
	At end of the period: 12,034,618,894 ordinary shares of 50k each	6,017,309	6,017,309	6,017,309	6,017,309
15	Share premium account				
	At beginning of the period	174,806,923	174,806,923	131,554,223	131,554,223
	Rights issue	-	-	47,198,189	47,198,189
	Share issue expenses	-	-	(3,945,489)	(3,945,489)
	At end of the period	174,806,923	174,806,923	174,806,923	174,806,923

16 Earnings per share

	Group 31-Mar-16 N'000	Group 31-Mar-15 N'000
(Loss)/profit from continuing operations attributable to equity holders of the parent	(13,960,872)	(12,213,379)
(Loss)/profit from discontinued operations attributable to equity holders of the parent	18,084,560	(8,558,215)
	4,123,688	(20,771,594)
Weighted average number of ordinary shares outstanding (thousands)		
As previously reported	12,034,619	9,084,686
	12,034,619	9,084,686
Basic earnings/(loss) per share		
From continuing operations	(116)	(134)
From discontinued operations	150	(94)
	34	(229)

Diluted earnings/(loss) per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There was no difference in the weighted average number of ordinary shares used for basic and diluted net loss per share from continuing operation, as the effect of all potentially dilutive ordinary shares outstanding (8,112,323,900 shares) was anti dilutive as at March 2016.

17 Discontinued operations and disposal groups held for sale

(a) Discontinued Operations

The assets and liabilities of some targeted companies of the Marketing and Supply & Trading division, Oando Energy Services Limited and Akute Power Limited have been presented as held for sale following the approval of the Group's management and shareholders at the 37th Annual General Meeting (AGM) on 27 October 2014 to sell the entities.

On 18 June 2015, Oando Plc signed a Sale and Purchase Agreement for the disposal of part of its equity interest in some target operating companies of the downstream segment to Copper Energy B.V. This transaction is expected to be concluded in 2016. Oando Plc also signed another Share Purchase and Sale Agreement ("SPA") to sell the entire issued share capital of Oando Energy Services Limited ("OES") to OES Integrated Services Limited (the buyer), a Nigerian company, under a Management Buy-out (MBO) arrangement on 31 December 2015. This was concluded March 31, 2016.

In 2015, the Group also signed a Sale and Purchase Agreement for the disposal of 100% of its equity interest in Akute Power Limited to Viathan Engineering Limited.

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In December 2015, the Group signed a Sale and Purchase agreement with Nigerian Agip Exploration Limited "NAE" for the sale of its non-operated interests in OMLs 125 and 134. As a result of this, the associated assets and liabilities have been classified as held for sale as at December 31, 2015. The transaction is expected to be completed in 2016 subject to the receipt of consent from the Lenders and Minister of Petroleum Resources.

The recoverable amount of the property, plant and equipment was in excess of its carrying value and as such no gain or loss was recorded in classification to held for sale.
The major classes of assets and liabilities comprising the disposal group classified as held for sale are below. As part of the arrangement with NAE, the Group retains its rights to the N14.5 billion ($72.9 million) award for amounts overlifted by NNPC (See Note 7) and has therefore not been included in the disposal group.

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:

The comparative consolidated statement of profit or loss and OCI have been restated to show the discontinued operation separately from continuing operations.

Results of discontinued operations	Group 31-Mar-16 N'000	Group 31-Mar-15 N'000
Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:		
Revenue	36,247,447	66,419,586
Expenses	(38,969,768)	(74,503,434)
Loss before tax of discontinued operations	(2,722,321)	(8,083,848)
Income tax expense	(221,533)	(474,367)
Loss after tax of discontinued operations	(2,943,854)	(8,558,215)
Gain on sale of discontinued operations	20,917,333	-
Income tax on gain on sale of discontinued operations	-	-
	20,917,333	-
Profit for the period from discontinued operations	17,973,479	(8,558,215)
Effect of disposal on the financial position of the Group		
Property, plant and equipment	28,344,777	-
Available-for-sale financial assets	5,100	-
Inventories	2,550,239	-
Trade and other receivables	12,107,441	-
Prepayment	412,213	
Borrowing	(35,818,255)	-
Current income tax liabilities	(225,391)	-
Retirement benefit obligation	(179,584)	-
Trade and other payables	(28,741,950)	-
	(21,545,410)	-
Gain on disposal	20,917,333	-
	(628,077)	-
Satisfied by:		
Consideration received, satisfied in cash (less cost to sell)	0	-
Cash and cash equivalents disposed of	(628,077)	-
	(628,077)	-

(b) Disposal group held for sale

In accordance with IFRS 5, the assets and liabilities held for sale were recognised at the carrying amount which is lower than the fair value less cost to sell. This is a non-recurring fair value which has been measured using observable inputs, being the prices for recent sales of similar businesses.

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:

	Group 31-Mar-16 N'000	Group 31-Dec-15 N'000
(i) Assets of disposal group classified as held for sale		
Property, plant and equipment	98,608,060	125,551,886
Intangible assets	13,626,574	13,668,792
Derivative financial instruments	1,991,561	2,016,012
Finance lease receivables	2,109,108	2,193,901
Other non-current assets	2,668,204	2,644,030
Deferred tax assets	1,915,267	1,915,987
Inventory	7,027,993	12,894,119
Non-current receivables	799,925	237,903
Trade and other receivables	48,042,009	70,623,602
Prepayments	2,697,514	2,633,463
Restricted cash	-	696,675
Cash and cash equivalents (excluding bank overdrafts)	14,405,408	20,805,475
Total assets	193,891,623	255,881,845
(ii) Liabilities of disposal group classified as held for sale		
Trade and other payables	42,322,060	80,002,743
Current income tax liabilities	1,669,920	1,776,979
Bank overdraft	50,958,142	53,180,150
Borrowing	80,440,906	130,820,394
Retirement benefit obligation	1,335,178	1,516,527
Provision for other liabilities & charges	9,409,102	8,099,800
Deferred tax liabilities	14,267,856	13,621,838
Government Grant	17,499	32,049
Total liabilities	200,420,663	289,050,480

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(iii) Assets of disposal group classified as held for sale

	Company 31-Mar-16 N'000	Company 31-Dec-15 N'000
Investment in subsidiaries		
Akute Power Limited	2,500	2,500
Apapa SPM Limited	19,125	19,125
Oando Marketing Limited	15,573,050	15,573,050
Oando Supply and Trading Limited	764,594	764,594
Oando Trading Limited Bermuda	3,435,950	3,435,950
	19,795,219	19,795,219

18 Net cash flows from operating activities before changes in working capital

Reconciliation of (loss)/profit before income tax to cash generated from operations:

	31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Mar-15 Group N'000	31-Mar-15 Company N'000
(Loss)/profit before income tax - continuing operations	(18,655,551)	(15,522,885)	(11,336,682)	(9,169,797)
Profit before income tax - discontinued operations	18,195,012	-	(8,083,848)	
Adjustments for non-cash items and interests:				
- Provision on current receivables		-	42,957	-
- Depreciation	7,696,943	45,148	7,255,094	69,165
- (Profit)/loss on sale of property plant and equipment	9,146	15,859	-	-
- Amortisation of Intangible asset	263,807	10,312	266,981	10,312
- Unwinding of discount on provisions	1,149,301	-	314,787	-
- Impairment of PPE	3,947	-	-	-
- Impairment of Intangibles	873,602	-	-	-
- Fair value (gain)/loss on available for sale investments	37,794	37,795	-	-
- Share based payment expense (options and swaps)	93,657	-	73,065	-
- (Profit)/loss on sale of subsidiary	(20,858,951)	46,974,921	-	-
- Provision on investment	-	(46,974,921)	-	-
- Fair value loss on commodity options	3,072,280	-	46,383,772	-
- Fair value (gain)/loss on embedded derivatives	-	-	20,884	-
- Net foreign exchange (gain)/loss	275,647	-	(7,288,598)	-
- Share of loss/(profit) in associate	350	-	(22)	-
- Interest expense	15,412,155	9,551,695	14,189,706	6,171,848
- Fair value (gain)/loss on Convertible option	-	-	-	(105,380)
- Interest received	(2,050,767)	(61,964)	(1,619,340)	(234,145)
	5,518,372	(5,924,040)	40,218,756	(3,257,997)

19 Net decrease in working capital

	31-Mar-16 Group N'000	31-Mar-16 Company N'000	31-Mar-15 Group N'000	31-Mar-15 Company N'000
- receivables and prepayments (current)	(18,502,623)	(4,148,266)	13,449,795	(7,195,289)
- non current receivables and prepayments	(795,217)	1,880	508,637	(907,488)
- inventories	372,782	-	6,895,591	-
- payables and accrued expenses	39,518,853	18,770,005	56,319,140	59,180,745
- gratuity provisions	(6,494)	(77,401)	(438,851)	(32,864)
- Government grant	(14,550)	-	(21,824)	-
	20,572,751	14,546,218	76,712,488	51,045,104

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20 Prior year restatements

In preparing the accounts for 2015 and as a result of a more comprehensive consideration of the Group's arrangements and policies, the directors have reconsidered and adjusted the accounting for certain matters in the prior period.

In 2013, Oando Plc ("seller") sold its entire interest in Oando Exploration & Production Limited ("OEPL") to Green Park Management Limited ("buyer") and recognised a profit on disposal of N16.2 billion. Management is of the opinion that the disposal of OEPL shares should not have been reported as concluded in 2013, because SEC approval and Ministerial consent had not been obtained prior to 31 December 2013. In view of this, accounting for the disposal at 31 December, 2013 is regarded as an error. Accordingly, the 2015 consolidated financial statements of Oando Plc is hereby restated.

	31 March 2015 'Restatements to previously published IFRS accounts			
	IFRS previously reported	Discontinued operations	Effect of restatements	IFRS restated
	N'000	N'000		N'000
Continuing operations				
Revenue	33,027,740	(2,377,800)	-	30,649,940
Cost of sales	(19,580,509)	2,797,625	-	(16,782,884)
Gross profit	13,447,231	419,825	-	13,867,056
Other operating income	3,309,946	(4,188)	-	3,305,758
Selling and marketing costs	(12,272)	-	-	(12,272)
Administrative expenses	(20,697,232)	4,211,782	-	(16,485,450)
Operating (loss)/profit	(3,952,327)	4,627,419	-	675,092
Finance costs	(13,825,774)	1,105,116	-	(12,720,658)
Finance income	769,073	(113,069)	52,858	708,862
Finance costs - net	(13,056,701)	992,047	52,858	(12,011,796)
Share of profit/(loss) from associates	22	-	-	22
Loss before income tax	(17,009,006)	5,619,466	52,858	(11,336,682)
Income tax expense	(1,266,717)	250,000	-	(1,016,717)
Loss for the period from continuing operations	(18,275,723)	5,869,466	52,858	(12,353,399)
Discontinued operations				
Loss for the period from discontinued operations	(2,688,749)	(5,869,466)	-	(8,558,215)
Loss for the period	(20,964,472)	-	52,858	(20,911,614)
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	12,017,666	-	(2,150,869)	9,866,797
Fair value loss on available for sale financial assets	8,107	-		8,107
Other comprehensive income/(loss) for the period, net of tax	12,025,773	-	(2,150,869)	9,874,904
Total comprehensive (loss)/income for the period	**(8,938,699)**	**-**	**(2,098,011)**	**(11,036,710)**
Attributable to:				
Equity holders of the parent	(9,752,420)		(2,098,011)	(11,850,431)
Non controlling interest	813,721			813,721
	(8,938,699)	-	(2,098,011)	(11,036,710)
Earnings per share from continuing and discontinued operations attributable to ordinary equity holders of the parent during the year: (expressed in kobo per share)				
Basic and diluted (loss)/earnings per share				
From continuing operations	(200)		66	(134)
From discontinued operations	(30)		(64)	(94)
From (loss)/profit for the year	(230)		1	(229)

21 Accounting policy changes

The unaudited results have been prepared in accordance with the accounting policies set out in the annual financial statements. There have not been any significant changes to the accounting policies of the group company within the quarter under review.

22 Seasonality or cyclicality of operations

The company operates on a 12 month calendar cycles commencing January 1 of every year till December 31st of same year. Seasonal fluctuations in revenue and other transactions are recorded whenever such arises.

23 Unusual items

No unusual transactions were recorded during the period under review.

24 Changes in estimates

No significant changes occur in procedures and methods used in carrying out accounting estimate.

25 Issuance, repurchases, and repayment of debts and equity Securities

No new equity securities were issued during the period. No debt issuance and repayments occurred except in the ordinary course of business.

26 Dividends

No dividends were paid during the period.

27 Significant events after the end of the interim period

There were no significant events occurring after the the balance sheet date.

28 Business combinations

The Company did not acquire new interests in any new subsidiaries during the period under review.

29 Long term investments

The Company did not make any long term investments during the period other than those shown in the financial statements

30 Restructuring and reversals of restructuring provisions

No restructuring provisions or reversals of such provisions occurred during the period.

31 Write-down of inventory to net realizable value

The company applied the recognition and measurement requirements of inventory as was applied in the previous financials statements.

32 Impairment loss of property, plant, equipment, intangible or other assets, and reversal of such impairment loss

There was no loss from the impairment of property, plant and equipment, intangible assets or other assets and the reversal of such an impairment loss, except as disclosed in the financial statements..

33 Litigation settlements

No significant litigation settlement occurred during the period under review except as those reflected in the financial statements.

34 Related party transactions

Significant related party transactions were in respect of intragroup purchases and sales of refined petroleum products on terms similar to such transactions entered into with third parties. Amounts in these regards have been eliminated on consolidation.

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