MRS OIL NIGERIA PLC

2015

Annual Report & Accounts


MRS

THE STRENGTH OF THE STALLION

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, the quality, the cleanliness and the safety of the product and services offered.

Our Values

1. Performing our job with the highest integrity and ethics.
2. Respecting 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.

COMPANY **PROFILE**

MRS Oil Nigeria Plc (formerly known as Texaco Nigeria Limited) was incorporated as a privately and wholly-owned subsidiary of Texaco Africa Limited, on the 12th of August 1969, thereby inheriting the business formerly carried out in Nigeria by Texaco Africa Limited. MRS 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.

Currently, MRS Oil Nigeria PLC (MRS) has a lube blending plant that is ISO 9001:2008 certified with a 23.9 million litres annual capacity, 1.3 million kilograms annual capacities grease plant, 7.3 million litres annual capacities tank farm storage and Finished-Goods warehouses located in various parts of Nigeria. MRS has modern Jet A-1 facilities in Lagos, Kano and Abuja international airports with over 5 million litres cumulative storage capacity/tank share. The aviation depots which serve the domestic airports in Lagos, Abuja and Kano are 100% operated by MRS. Being one of the largest downstream operators, MRS Oil Nigeria Plc has a 2 million litres/day fuel terminal in Apapa and over 393 retail stations all over Nigeria which carries a wide range of petroleum products including the new eco-friendly composite cylinders.

MRS is an affiliate member of MRS Holdings Limited Group, a Pan-African conglomerate of companies diversified in activities, but focused on capturing the entire value chain in oil trading, shipping, storage, distribution and retailing of petroleum products. MRS Holdings Limited was founded in 1995 and commenced operations with MRS Transport Co. Ltd. to bridge the gap in the haulage of petroleum products to end users. Following the expansion of the haulage business, MRS Oil and Gas Co. Ltd, was incorporated to purchase and distribute refined products from its storage facility in Tincan.

MRS Holdings Limited, through its other subsidiaries engages in Marine Services,

MRS Oil Nigeria Plc has a 2 million litres/day fuel terminal in Apapa and over 393 retail stations all over Nigeria which carries a wide range of petroleum products including the new eco-friendly composite cylinders.

Logistics, Civil Construction, Pipeline Construction and Management and Power Plant Rehabilitation. The Group is one of the largest and most efficient downstream players in West and Central Africa with interests and operations in Nigeria, Cameroon, Togo, Benin, Cote D'Ivoire, Guinea, Senegal and Ghana. From Geneva, Switzerland our Trading activities provide quality products to Governments and Petroleum Marketing companies across Africa.

As a growing company, MRS Oil Nigeria Plc has great passion and commitment to Africa and its people. We are an African company with an eye to put Africa on the global listing of world class companies. Our trade mark is 'excellence through partnership'.

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NOTICE OF ANNUAL
GENERAL MEETING

Notice is hereby given that the Forty-Seventh Annual General Meeting of MRS Oil Nigeria Plc. will be held at the Federal Palace Hotel, 6-8 Ahmadu Bello way, Victoria Island, Lagos, Nigeria, on August 4, 2016 at 11:00 a.m. to transact the following business:-

1. Ordinary Business:

i. To lay the Audited Financial Statements for the year ended 31 December 2015 and the Report of the Directors Audit Committee and Auditors Report thereon.
ii. To declare a Dividend.
iii. To re-elect Directors under Articles 90/91 and of the Company's Articles of Association.
iv. To authorize the Directors to fix the remuneration of the Auditors.
v. To elect the members of the Audit Committee.

2. Special Business:

To consider and if thought fit, pass the following resolution as an ordinary resolution:

i. That the fees payable to the Non-Executive Directors of the Company be N1,000,000.00 per annum.

ii. That subject to the amendment of the Nigerian Stock Exchange (The Rules Governing Transactions with Related Parties or Interested Persons) a general mandate be and is hereby given to enable the Company enter into recurrent related party transactions of a value equal to or more than: 5% of the Company's latest audited net tangible assets; or 5% of the Company's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the financial year or; 5% of the issued share capital.

Several dividend warrants and share certificates which remain unclaimed are yet to be presented for payment or returned to the Company for revalidation.

That the aforementioned is subject to the following:

a. The interested persons to the Company's transactions are the MRS Group and other subsidiaries and affiliates; the basis for the transactions arise from the indispensable nature of its operation with the Company.
b The transactions with related parties involve normal commercial terms, which occur in the ordinary course of business and are not prejudicial to the interest of the minority shareholders of the Company, nor do they proffer an advantage to related parties over and above the general public.
c The procedure or methods applicable for the determination of the transaction prices, are subject to global transfer pricing policy;
d The Company will disclose in its Annual Report, the aggregate value of transactions conducted pursuant to the general mandate (including amongst others), the nature of the recurrent related party transactions; the information of each related parties involved in the related party transactions entered into and the relationship of the related parties with the Company;

iii. And that pursuant to the General Mandate:

The Directors be and are hereby authorized by this ordinary resolution, to complete and do all such acts and things (including the execution of all such documents as may be required) to give effect to the Company's transactions.

3. Special Resolution:

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

(i) "That the Articles of Association of the Company be and are hereby altered by deleting the present Clause (77) and Clause (102) and substituting the following new Clauses in the articles.

Clause 77: "Unless and until otherwise determined by the Company in General Meetings the number of Directors shall not be less than three or more than twelve.

Clause 102: " The Directors may elect a Chairman at their meetings and for such period and on such terms as they think fit; A Chairman so appointed shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation or retirement of Directors, but his appointment shall be automatically determined if he ceases from any cause to be a Director.

If no such Chairman is elected to chair the meeting, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding same, the Directors present may choose one of their members to be Chairman of the meeting.

NOTES: -

1. **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, CardinalStone (Registrars) Limited, 358, Herbert Macaulay Street, 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.
2. **Dividend Payment:**
   If the dividend recommended is approved and declared by the members at the Annual General Meeting, the dividend warrants will be posted or shareholders accounts credited directly on August 5, 2016 to those shareholders, whose names appear in the Company's Register of Members at the close of business on July 11, 2016.
3. **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 2015, Annual Report and Accounts, in writing and during the Annual Meeting. Provided, that the questions in writing shall be submitted to the Company, not later than July 25, 2016. The 2015 Annual Report and Accounts of the company is available on the company's website at www.mrsoilnigplc.net.
4. **Register of Members and Transfer Books:**
   The Register of Members and Transfer Books of the Company will be closed from July 11, 2016 through July 15, 2016 (both dates inclusive) to enable the presentation of an up to date Register and dividend payment.
5. **Nomination for the Audit Committee:**
   In accordance with section 359(5) of the Companies and Allied Matters Act, 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.
6. **Unclaimed Dividend Warrants and Share Certificates**
   Several dividend warrants and share certificates which remain unclaimed are yet to be presented for payment or returned to the Company for revalidation. A list of members and the Annual Report for the year ended 31 December, 2015 together with unclaimed dividends will be circulated with the financial statement for the year ended 31 December, 2015. We therefore urge all shareholders who are yet to update their contact details to kindly contact the Company's Registrar or the Company Secretary.
7. **Closure of Dividend 31.**
   In accordance with Section 385 of the Companies and Allied Matters Act of 2004, the Board at its meeting of March 23, 2016 approved the recall of dividend 31 into the Company's account effective August 4, 2016, in respect of dividends that remain unclaimed for twelve years. Notice of dividend 31 which have become statute barred effective December 31, 2015 was published in the national dailies on February 26, 2016. No further dividend will be paid to shareholders from these dividends.

By the Order of the Board

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

Registered Office
8, Macarthy Street,
Onikan Lagos,
Nigeria

RESULTS AT A

GLANCE

YEAR ENDED 31 DECEMBER, 2015

	2015 N'000	2014 N'000
Turnover	87,099,216	92,325,405
Profit Before Income Tax	1,460,843	1,282,053
Income Tax Expense	(525,218)	(535,649)
Profit for the Year	935,625	746,404
Proposed Dividend for the Year	279,388	223,510
Earnings Per 50k share (naira)	3.68	2.94
Declared Dividend per 50k share (kobo)	88	74.93
Net Assets per 50k share	8,258	7,960

CORPORATE INFORMATION

BOARD OF DIRECTORS

Alhaji Sayyu I. Dantata	Chairman
Mr. Andrew O. Gbodume	Managing Director (Ag.)
Mr. Patrice Alberti	Non Executive Director
Dr. Paul Bissohong	Non Executive Director
Dr. Samaila M. Kewa	Non Executive Director
Alhaji Dahiru Barau Mangal	Non Executive Director
Mr. Lawal Mangal	Alternate Director
Ms. Amina Maina	Non Executive Director

REGISTERED OFFICE
8, Macarthy Street
Onikan, Lagos

COMPANY SECRETARY

Mrs. O.M. Jafojo

REGISTRAR
Cardinal Stone (Registrars) Limited
(formerly City Securities (Registrars) Limited)
358, Albert Macaulay Street, Yaba, Lagos

AUDITORS
KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island, Lagos

BANKERS
Access Bank Plc
Citibank Nigeria Limited
First City Monument Bank Plc
First Bank of Nigeria Limited
Standard Chartered Bank Nigeria Limited
Zenith Bank Plc
Skye Bank Plc
Sterling Bank Plc

LEADERSHIP
TEAM

December 31, 2015

ANDREW O. GBODUME	Managing Director (Ag.)
OLUWAKEMI M. JAFOJO	Company Secretary
MARTIN OROGUN	Chief Financial Officer
JUBRIL HASSAN	Treasury Manager
MORUF SOBOWALE	Consumer & Industrial Manager
PETER Z. DIA	Aviation Manager
PRISCILLA THORPE – MONCLUS*	Sales & Marketing Manager
ROSELINE IGBOKWE	Sales & Marketing Manager
AKINYEMI KOLA	Engineering Manager / Marketing Support Manager
TIMIPIRI ODU	Human Resources Manager
ANDREW ONUM	Chief Legal Counsel
MOHAMMED KOKI	Operations Manager
CHARLES ONUM	Lubes Operation Manager
LAWRENCE MOLOKWU	Health, Safety and Environment Manager
OMOLOJA OLADIPO	Fuel Terminal Manager
GLORIA ATONG	Procurement Manager
OGHENEKARO OLOGE	Information Technology Manager
DANIEL CHUKWUAZAWOM	Chief Internal Auditor

* Redeployed to the Group on July 13, 2015

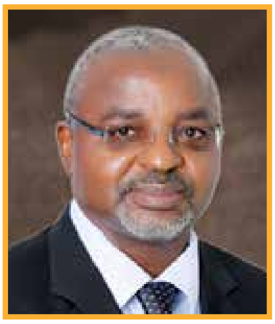
2015 BOARD OF DIRECTORS

Alhaji Sayyu I. Dantata
Chairman

Mr. Andrew O. Gbodume
Managing Director (Ag.)

Mr. Patrice Alberti
Director

Dr. Paul Bissohong
Director



Dr. Samaila Kewa
Director

Ms. Amina Maina
Director

Alhaji Dahiru M. Barau
Director

CHAIRMAN'S **STATEMENT**

> "In the current business environment, competitiveness depends on minimizing our costs and discipline in the use of limited capital – as demonstrated by the Company's capital expenditure of N397 million in 2015 down from N538 million in 2014."

INTRODUCTION

Distinguished shareholders, fellow Board Members, gentlemen of the press, ladies and gentlemen, I am delighted to welcome you all to this 47th Annual General Meeting (AGM) of our Company, MRS Oil Nigeria Plc. During the course of this very important meeting, I shall present to you the financial statements and reports for the year ended 31 December, 2015 and also share with you the highlights of the performance and other achievements of your great company during the financial year.

It is important to start this address with a brief review of the socio-political environment, which undoubtedly impacted on the performance of your company during the year under review.

THE OPERATING ENVIRONMENT IN 2015

The operating environment in 2015 for businesses was quite challenging especially in relation to: insecurity in parts of the country, infrastructural deficit, foreign exchange crisis, funding issues, consistency of policy and the quality of institutions. There was also the challenge of uncertainties and risks created by the political transition and the elections. All these adversely affected the results recorded by a myriad of business entities.

2015's operating environment was shaped by a mix of extreme yet interesting political and economic events.

Sectors such as manufacturing and the services entered recession after recording successive decline over the last three quarters in 2015. On a positive note, the successful democratic transition that ushered in a new political administration, presented a new wave of optimism for economic stability and policy focus. However, business activities were largely slow for a better part of the year due to uncertainties created by delay in forming an economic team and the appointment of ministers to drive the 'change' agenda.

On the global platform, the price of crude oil continued to experience a downward trend. The price of OPEC Reference Basket of Crudes (ORB) which stood at $62.16 as at May 2015, further declined to about $42.50 per barrel in November 2015. The price was far below the budget benchmark of $53 per barrel for the year. The drastic decline consequently led to various fiscal and economic challenges such as the drop in foreign earnings, strained fiscal budget and huge financial bailout for some state governments and unstable business environment.

Crime is a major issue in Nigeria and it is noteworthy because of the impact on business activities. Crime and security risks in Nigeria are driven by the severe threat of terrorist attacks, high levels of violent crime and endemic corruption.

Organised criminal groups which among other crimes, engage in vandalism and oil theft across the country. Owing to the presence of terrorists, kidnappers and organised criminal groups, businesses would need to budget for private security to protect company assets and staff. These are additional costs for companies which significantly erode profitability.

THE ECONOMIC ENVIRONMENT

The financial year 2015, remains one that witnessed many activities in monetary and fiscal policies, occasioned by the monetary tightening stance of the Central Bank of Nigeria (CBN), the sharp fall in the value of Naira, the spending activities of the political class in the 2015 general elections and the dwindling oil prices, resulting in major regulatory pronouncements.

The Nigerian economy was set to face one of the most difficult times in history as global crude oil prices, a key anchor for fiscal strength

> **"Today, we are positioned to weather the storm and navigate through a testing environment; to emerge in good shape, while taking advantage of new opportunities and optimizing our capital assets."**

and macroeconomic stability, continued on a downward course in 2015. The economic environment was more challenging relative to 2014 as post-election scenarios, aggressive tightening by the CBN, variability in foreign investment portfolio flows and downward trajectory of crude oil prices, were major factors that shaped the environment in 2015:

These factors largely dictated movements in both equity and fixed income markets although in different degrees during the year.
Post-election scenarios witnessed renewed economic reform efforts to address fiscal, structural, and financial challenges, highlighted by low oil price and weak capital inflows on the eve of election. While the national and international economic shocks on the eve of general elections had imposed short term challenges and created significant uncertainties about the economic outlook in 2015, they have also beneficially elevated the place of economic and fiscal reforms in the pre-election conversation. A strong consensus for reforms was fortuitously built among the populace that it was reasonable to expect a high pace of reforms after the election.
Through the year under review, Nigeria has increasingly drifted into economic and financial crisis following series of adverse developments in the international and domestic oil market. In response to dwindling receipts from oil export, the Central Bank of Nigeria (CBN) adopted several measures such as the closure of Retail Dutch Auction System (rDAS) window, restriction of cash payment into domiciliary accounts and prohibition of 41 items from accessing the interbank foreign exchange market. The administrative management of the forex market by Central Bank of Nigeria (CBN) signposted much deeper challenges to business activities and the economy as a whole. The Naira as at December 2015, crashed to 280 NGN to 1 US Dollar at the parallel market and reached a record level of 41% against the official exchange rate. There were indications that the crash has not bottomed-out yet, as the exchange rate was speculated to reach 300 NGN to 1 USD, as a result of the continuous pressure on Naira in the parallel market, at the end of the year. The CBN, in an attempt to arrest the trend, pushed for stricter restrictions such as:

- Downward adjustment of maximum spending limit on offshore credit/debit card spending to $12,000 per annum.
- Reduction in the weekly allocation to $10,000 per BDC
- BDC operators to source for Dollar from private sources for personal and business travels.

In 2015, the unfriendly business environment continued to undermine the capacity of local and international investors to maximize abundant business opportunities in Nigeria, Africa's largest economy. With the drastic fall in oil price, heavy fuel subsidy bill nearing N1 trillion in 2015, wide spread insolvency among State Governments across the Country, increasing sovereign debt (about $60 billion, including debt provisions in 2016 MTEF) and debt service obligation of N1.3trillion in 2016, the financial crisis may linger.

At an estimated average of US$44.08 per barrel in the last quarter of 2015, the price of Nigeria's referenced crude, the Bonny Light, fell by 13.8 per cent and 42.9 percent below the level in the preceding quarter and the corresponding period in 2014 respectively. Crude oil export stood at 1.44 mbd or 132.48 million barrels. This represented a decline of 4.2 per cent, compared with 1.50 mbd or 138.00 mbd recorded in the preceding quarter. Persistent pipeline vandalism across the country, oil theft, illegal bunkering and production shut-ins accounted for the decline in crude oil production. Gross oil receipt which stood at N830.81 billion, at the end of the last quarter in 2015 was lower than both the preceding quarter and the corresponding quarter in 2014 due to the persistent fall in crude oil receipts and gas export, arising from the continuous drop in the crude oil price.
The average exchange rate at the inter-bank segment was N196.99 to US$, same level as the preceding quarter. However, it showed a depreciation of 12.6 per cent relative to the rate in the corresponding quarter of 2014. At the BDC segment, the average exchange rate, at N238.69 per US dollar, depreciated by 5.7 and 25.3 per cent relative to their respective levels in the preceding quarter and the corresponding period of 2014.

Gross external reserves at the end of the fourth quarter of 2015 stood at US$29.07 billion, showing a decline of 4.2 and 17.4 per cent below the levels in the preceding quarter and corresponding period of 2014, respectively. The development, relative to the preceding quarter, was due to increased intervention by the Bank at the inter-bank market to stabilize the Naira exchange rate.

The inflation rate at the end of the year under review, on a year-on-year basis, was 9.6 per cent, compared with 8.0 per cent in 2014. This shows a 0.3 percentage point increase over the level recorded in 2014.

Having reviewed some of the key major economic parameters in 2015, which all exhibited a downward trend due to the global crisis on the oil price, (totally out of Governments control), I am of the candid opinion that we should look inward into our national economy and embark on some strategic and economic reform activities which will cushion the shocks of the oil price trajectory. The present Buhari government should revisit its rail transport sector in similar strategies with what previous governments did to the telecommunications sector and more recently, its power sector. Government should put an end to monopoly, divide the country into zones , with free access for private firms to bid for building rights and/or operate rail lines under the oversight of a new regulatory body. Not just rail, but pipelines, gas, and refineries. If these are successfully done, manufacturing is expected to become spontaneously competitive and manufacturing exports will receive a boost. All other sectors will also benefit from the competitiveness and scale, that functioning cargo rail transport system will afford.

THE POLITICAL ENVIRONMENT

2015, witnessed a myriad of political activities and will remain a reference point politically for Nigeria. It was a year that featured the most keenly contested general elections in Nigeria, which produced a President from an opposition party, while the sitting President willingly accepted defeat. It was unarguably the most important year for Nigeria as far as its democratic history is concerned.

Gentlemen and ladies, time will not permit me to elucidate on all the major political activities in the year under review. Therefore I am going to highlight some of the key events and activities that have gone down in the annals of Nigeria's history as political landmarks.

One of the pre-election events that significantly stood out was the Independent National Electoral Commission, INEC's postponement of the 2015 general elections by six (6) weeks. Announcing this at a press conference, then Chairman of the Commission, Prof. Attahiru Jega said the Presidential and National Assembly elections would hold on March 28 while the Governorship and State Assemblies election would take place on April 11,2015. Both had until then been scheduled for February 14 and 28. The postponement was however met with protest from some quarters in the country with the associated adverse effects on important business decisions local and international. This development also put enormous pressure on the exchange rate of the Naira as some Nigerians continued to intensify efforts to travel out of the country until the situation stabilized.

The much talked about 2015 general elections witnessed what may be termed as an anti-climax, as Nigerians in March, 2015 trooped out to cast their votes for the person on whose shoulders the affairs of the country will rest upon for the next four (4) years. The election took place on the 28th of March as earlier announced and the result of the election was announced, declaring Muhammadu Buhari as the winner of the March 28 Presidential polls. One significant factor that changed the course of history was the manner in which President Goodluck Jonathan, accepted the outcome of the election. He did not wait till the end of the exercise, but conceded defeat and congratulated the winner, President Muhammadu Buhari. This act by the incumbent President put paid to the political tensions within the country.

The political events of 2015, cannot be complete without a few comments about the governorship elections which held on April 11, 2015. Although the election was largely peaceful, experts held the view that the turnout of Nigerians during the election was low when compared with the number of voters who trooped out en masse to cast their votes during the presidential election.

President Goodluck Jonathan peacefully handed over to his successor, Muhammadu Buhari on May 29, 2016, contrary to the fears and rumors bandied by some people. This act saved the country unnecessary anxiety and restored some degree of calm in the country.

President Muhammadu Buhari inaugurated the long

anticipated Federal Executive Council (FEC), five (5) months into his Government. The assignment of portfolios to the new ministers came as a surprise and the distribution of the heads of particular ministries was unexpected. However, the President retained the portfolio of the Minister of Petroleum Resources.

There is no doubt, that the election retarded economic activities resulting from the overwhelming tensions before the election. However, after the election there was positive perception because the transition from the old to the new government under a new political party, was peaceful.
This is positive and a plus for Nigeria as an investment destination and those who have been waiting on the line were now eagerly looking forward to the new government policies, for policy direction.

THE INDUSTRY

There has been some notable reforms to the Nigerian National Petroleum Corporation (NNPC) since the new government came into power, but there has been a number of challenges, in a bid to create a transparent and profitable corporation that would encourage investment in Nigeria and the attainment of its hydrocarbon potential. It is important under this caption to review some of the major trends and developments in Nigeria Oil and Gas sector.
The Nigerian government incentives for indigenous companies - coupled by widespread divestments by international oil companies (IOCs) - have fuelled the prominence of smaller Nigerian producers. According to the Nigerian National Petroleum Corporation (NNPC), these companies make up 10 percent of total production, which is equivalent to 242,000 Barrels per day at 2015 production levels.
Force majeure was declared on the Trans Forcados terminal by Shell Petroleum Development Company of Nigeria (SPDC) in the last week of February 2016, citing a leak in the subsea pipeline. This removed as much as 300,000 barrels

per day (b/d) of crude from the market for three months. The Forcados pipeline is an important export route for Nigeria's crude, carrying about one-fifth of total exports. It has been subject to regular outages, suffering from acts of sabotage from Niger-Delta activists, bunkering and leaks caused by decaying infrastructure. In 2015, there were four (4) occasions in which the pipeline was forced to close.
Average refinery utilization rate for 2015 was at an all-time low of 5%. This was due to the refineries being non-functional for seven (7) months. When the refineries reopened after three (3) months of maintenance in December 2015, they were forced to shut down again in February 2016, as a result of pipeline attacks cutting off supplies, thus highlighting the continued sabotage in the Niger Delta region.

Anti-flaring initiatives have successfully reduced the percentage of produced gas that is flared by 20% in 2013, to half of that in 2015.

Production is set to spur downstream petrochemicals industries, particularly fertilizer and methanol and under the Buhari administration the business environment has improved, even though the decline in oil prices and the depreciation of the Naira have had a negative effect. In 2015, Nigeria had olefins production capacities of 550,000 tonnes per annum (tpa) ethylene and 125,000 tpa propylene with thermoplastic resins capacities of 240,000tpa linear low-density polyethylene (LLDPE) and 95,000tpa polypropylene (PP). Nigeria's petrochemicals sector is characterized by low capacity utilization, frequently disrupted plant operations and lack of proper resources to operate and maintain facilities.

The government is attempting to attract foreign direct investment (FDI) into the country's petrochemicals sector. However, lack of skilled labour, political and social unrest and sabotage of upstream infrastructure could delay projects planned in the coming years. The focus of investment is the fertilizer sector, which uses domestic gas resources and has access to significant markets in Sub-saharan Africa.

THE COMPANY

In MRS we remain committed to giving back to the society. I am pleased to report that in 2015, the Company was involved in charitable donations, contributions and women empowerment programmes in some geo-political zones in Nigeria and sponsored the training programme of 34 teachers in public primary schools.

We improved our safety performance by organizing related trainings like service station safety for Managers and Customer Service Assistant (CSA), Road transport safety (RTS), Audit of fuel dealers, engineering contractors Annual NSE/Safe work precaution (SWP) within the organization, in a bid to build organizational capabilities in contractors and employees as well as to provide safe and reliable services to customers. To ensure full compliance to industry regulations and standards, the relevant Government agencies carried out regulatory inspections and audit on the Company's facilities and operations. In line with the quality management system by the International Standard Organization ISO: 9001-2008, ISO conducted its Annual Audit and was satisfied that the company consistently maintained high compliance level.

The Company in collaboration with the National Youth Soccer Association organized the fourth edition of the under 12 kids Competition in Nigeria. The objective of the programme was to make football the number one participatory sport in schools and to introduce kids to sport in general. MRS therefore strives to promote a balanced and healthy lifestyle, to attract and sustain the potential sporting stars of tomorrow.

We have significantly invested in technology upgrades to enhance online monitoring of our field operations. The following upgrades were successfully carried out in the year under review:

- The integration of site office voice and data network at various company sites.
- The installation of a new server to upgrade the active Directory Domain Controllers (DDC), as well as sever improvement, administration and network security.
- The installation and configuration of an Electronic Document Management System (EDM) Server for the conversion & document storage.
- The setup of a Governance and Management of enterprise IT as well as a system information recovery plan and implementation.

FINANCIAL RESULTS

In 2015 we continued to adapt to the tough environment created by the dramatic drop in oil prices. We have seen prices crash before, but this fall has been particularly steep, from over $100 a barrel in mid-2014 to below $30 by January 2016. The current environment has however impacted our financial results, as well as those of our competitors. So, while we are unable to control the price of oil, we have performed strongly on the factors that we can control.

Year on year performance comparison shows that our company recorded a turnover of N87.1 billion in 2015 against N92.3 billion in 2014 which translates to a 6% decrease. This shortfall in revenue was compensated by the decrease in cost of sales, selling and distribution expenses and administrative expenses from N91.1 billion in 2014 to N86.9 billion in 2015 demonstrating gainful deployment of well-structured cost reduction strategies. Net finance cost grossly dropped from N1.2 billion in 2014 to N149.7 million in 2015 occasioned by PPPRA reimbursement on interest and foreign exchange differential cost claims. Profit Before Tax (PBT) increased by 15% in 2015 from N1.3 billion in 2014 to N1.5 billion. Profit After Tax (PAT) witnessed moderate improvement from N0.7 billion in 2014 to N0.9 billion in 2015 reflecting a 25% increase.

CAPITAL EXPENDITURE

In the current business environment, competitiveness depends on minimizing our costs and discipline in the use of limited capital – as demonstrated by the Company's capital expenditure of N397 million in 2015. down from N538 million in 2014. The additions in 2015 cut across land and building, plant and machinery, computer and office equipment, furniture and fittings and automotive equipment.

DIVIDEND DECLARATION

The Board is pleased to recommend for your approval, a total dividend payment of N279.39 which represents 110 kobo per share subject to appropriate withholding tax deductions. This recommendation reflects the resilience of the results and in keeping with our commitment to deliver reasonable returns to shareholders' investment.

THE OUTLOOK 2016

Business outlook in Nigeria will remain tense in 2016 due to the declining trend of global oil price and its attendant impact on government revenues and foreign reserves. The implications on cost and access to credit, will be undesirable while businesses, especially those with high forex exposure, will continue to face challenges of meeting foreign obligations to suppliers and partners.

An economic crisis, unorthodox monetary policy and concerns about the devaluation of the Naira will deter foreign investment in Nigeria's power sector. This will stall government's efforts to plug the power generation deficit with private capital. As investors will most likely delay market entry until Nigeria comes to terms with a painful economic adjustment to lower oil prices.

The Federal Government through the Central Bank of Nigeria (CBN), has a number of key economic decisions to make such as devaluation, subsidy, diversification, lending rates and capital controls decisions. These decisions will invariably determine how businesses can invest and cover operating costs. There are clear expectations of economic slowdown and slight increases in unemployment in the first two quarters of 2016. Increase in entrepreneurial activities may also follow, as Nigerians try to make ends meet in such situations. It is important that these decisions are made quickly to give a clear direction of the government's economic policy and to enable investors, make their own decisions.

The President of the nation, recently signed the N6.08 trillion budget into law. The analysis of the 2016 budget tagged "Budget of Change" shows a revenue projection of N3.86 trillion resulting in a deficit of N2.22 trillion. The deficit, which is equivalent to 2.16% of Nigeria's GDP, will be financed by a combination of domestic borrowing of N984 billion, and foreign borrowing of N900 billion totaling N1.84 trillion. The present Government in order to achieve its development objectives increased capital expenditure from N557 billion in the 2015 budget to N1.85 trillion, in 2016 budget constituting 30% of the total budget. As a sign of government's commitment to sustainable development, this increased capital expenditure commits significant resources to critical sectors such as Works, Power and Housing – N433.4 billion; Transport-N202.0 billion; Special Intervention Programs-N200.0 billion; Defence -N134.6 billion; and Interior – N53.1 billion.

These investments in infrastructure and security are meant to support reforms in the Agriculture, Solid Minerals and other core job creating sectors of our economy.

I do not expect the Petroleum Industry Bill to be passed over the coming year or two as continued regulatory uncertainty in Nigeria may hinder its existence, which in my view may result in stagnation in oil output over the coming years. Nigeria's oil production will increase slightly from 2.45m barrels per day (b/d) in 2016 to 2.51m b/d by 2020, based on sanctioned projects.

However, despite the aforementioned challenges, 2016 is a promising year for Nigeria. The economic challenges are global and Nigeria has a young population which creates great opportunity for labour. With the right policies and quick implementation, we will witness a surge in local production and reopening of small scale manufacturing centres, with greater emphasis on food processing and industrial farming.

The following economic indicators are expected in 2016 and beyond:

- GDP growth will reverberate albeit slowly to 3.5% reflecting weakness in both the oil and non-oil sectors. Growth recovery will be driven by a projected sharp increase in government expenditure.
- Inflationary pressure will intensify in 2016 to 10-11percent occasioned by increased money supply (N18trn-N19trn), currency devaluation and increased price of petroleum products. Long term inflationary pressure will ease off, if power supply improves to 6000MW, productivity up by 5 percent and GDP growth by 4 percent.
- 10 percent adjustment to foreign exchange rate to N220.00 will reduce forex demand by 2.5 percent thereby plummeting pressure on the external reserves.
- The recent hike in petrol price which reflects total removal of subsidy on the product is the boldest attempt by the Gov-

ernment at deregulating the nation's downstream sector. This decision will definitely encourage the Oil Marketers to do more investment. Some are already weighing the option of diversifying into refining business.

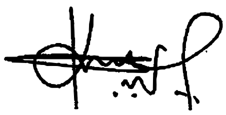
- Ships awaiting berth in Lagos ports are expected to increase in 2016 following the removal of forex restrictions, recent price adjustment of Premium Motor Spirit and availability of funds to trade at the international market.
- Power Output in 2016 projected to increase to 6000MW driven by a reduction in gas pipeline vandalism, expansion of transmission capacity and the adoption of a cost effective and reflective strategy across all arms of the power sector.

Ladies and Gentlemen, there are significant challenges ahead, I personally still believe that there is a good chance of strong growth going forward, even if oil prices don't rebound significantly from today's levels. My growth expectation stems from the present administration's efforts toward privatization and investment in areas such as mining, agriculture, finance and manufacturing to diversify the country's dependence on the oil sector, which in my view, would bear fruit in the longer term.

CONCLUSION

I would like to take this opportunity to thank my colleagues on the Board, and the contractors, management and staff of "MRS". In difficult circumstances, they have shown dedication and determination in meeting the Company's objectives. The same measure of appreciation goes out to our valued customers for their continued confidence and support to this great Company, "MRS". The achievement recorded during the year would not have been possible without contributions from our valued shareholders at the Annual General Meetings and other fora. To MRS shareholders, I say a big THANK YOU. Over the years our company has consistently responded to changing circumstances. Year on year, we have continued to learn, adapt and evolve. The experience, gained over these years, is one of our greatest assets. Today, we are positioned to weather the storm and navigate through a testing environment; to emerge in good shape, while taking advantage of new opportunities and optimizing our capital assets. I am confident that this great company will continue to deliver products and services for MRS customers and value for MRS shareholders, long into the future.

Thank you for your attention and I pray for your safe arrival at your various destinations.



ALHAJI SAYYU I. DANTATA
Chairman

STATEMENT OF DIRECTORS'
RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2015

The directors accept responsibility for the preparation of the annual financial statements set out on pages 47 to 90 that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

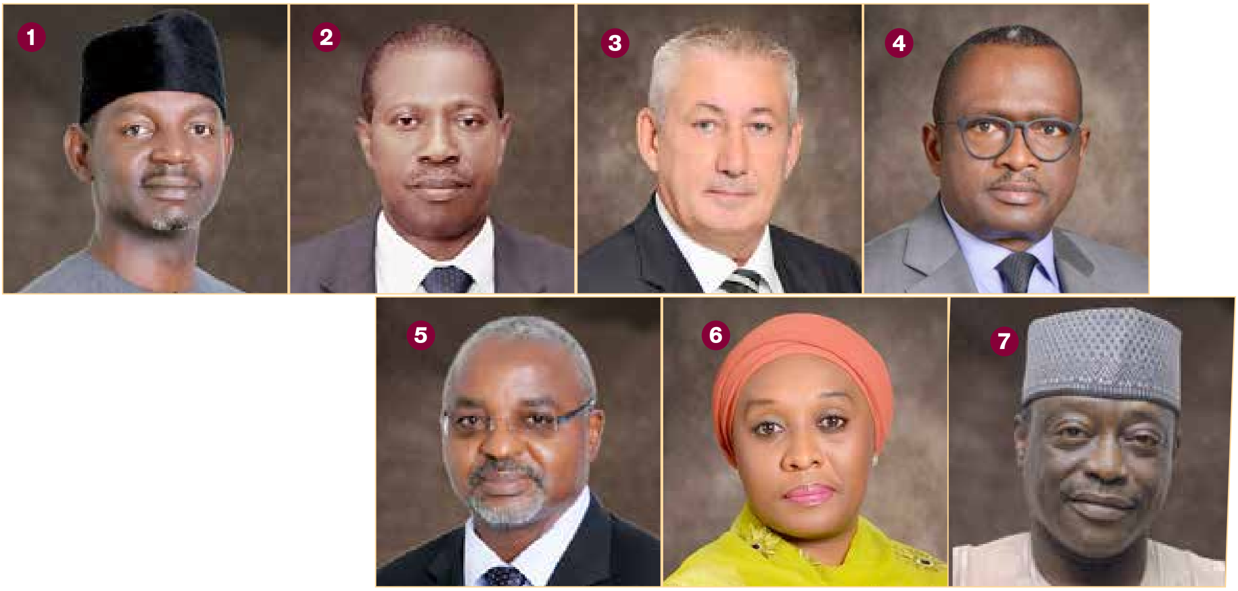
SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Andrew Gbodume (Managing Director, Ag.)
FRC/2012/ICAN/00000000534
30 March 2016

Dr. Paul Bissohong (Director)
FRC/2013/IOD/00000003841
30 March 2016

Directors

The Directors in office during the year are listed below. The biographies of all the Directors appear under this section for your information.



1. ALHAJI SAYYU IDRIS DANTATA
Chairman

Alhaji Sayyu Idris Dantata is a Mechanical Engineer. He started his career as the Transport Director with the Dangote Group, one of Nigeria's leading conglomerates and rose through the organization.

Thereafter, he started his own business and currently sits as the Chief Executive Officer of MRS Group. The MRS group of companies has interests in Oil & Gas, Shipping, Construction and Property Development amongst other Investments.

With an exceptional vision and world class business skill, Alhaji Dantata has led the Group to remarkable and unprecedented success in the history of Nigeria's independent petroleum marketing. This has made MRS the leading supplier of petroleum products in Nigeria and the West African Sub-Region.

2. MR. ANDREW OGHENEVO GBODUME
Managing Director (Ag.)

Mr. Gbodume, holds a Masters degree from the Ahmadu Bello University, Zaria. He is a fellow of the Institute of Chartered Accountants of Nigeria and an Association member, Nigerian Institute of Management as well as Nigeria Institute of Taxation.
He is a financial and economic consultant with many years of experience.

Prior to joining MRS Oil Nigeria Plc, his experience cut across finance, audit, insurance and banking. He had a stint with African International Bank (AIB) where he rose to the position of an Assistant General Manager, Financial Control and Management, a position he held for over 5 years. He joined MRS Oil and Gas Co. Ltd as Assistant General Manager, Finance and Corporate Planning in 2007. A year after, the position was re-designated as Deputy General Manager. Also in 2008, he was elevated to the position of Director, Special Duties. As a result of his excellent performance, he was appointed Ag. Managing Director MRS Investment Co. Ltd in July 2010, before his secondment to MRS Oil Nigeria Plc. He was appointed Executive Director Finance and Administration on May 12, 2011. He is also a member of the Institute of Directors.

On the 1st of January, 2016 , Mr. Gbodume was appointed as the Acting Managing Director of MRS Oil Nigeria Plc.

3. MR. PATRICE ALBERTI
Director

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 Managing Director 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'Investitssment, Banco Central SA, to mention a few.

6. Ms. AMINA MAINA
Director

Ms. Maina holds a degree in Business Administration from the Ahmadu Bello University, Zaria. 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.

4. DR. PAUL BISSOHONG
Director

Dr. Bissohong holds a degree in Electro – Mechanics from the University of Yaounde – Ecole Nationale Superieure Polytechnique. He also holds a certificate as an Inspector of Telecommunication from the National Institute of Telecommunications, Evry - France and a Certified Lubrication Specialist from the Society of Tribologysts and Lubrication Engineers (Illinois Chicago – USA). Dr. Bissohong started his career at the International Telecommunications of Cameroon Company – Intelcam in 1981 and has worked in many organizations with varied training and professional experiences spanning a period of 32 years.

He joined Texaco Cameroon in 1987 and was seconded to Texaco Nigeria Limited in 1998, where he held various positions of increasing responsibility within the organization (Texaco – ChevronTexaco – Chevron West Africa) till 2008 when he was appointed Managing Director of Chevron Ivory Coast in Abidjan. Following a change in management in March 2009, Dr. Bissohong was seconded to MRS Group, to head the Business development unit of MRS Holdings Limited.

He was appointed Managing Director of MRS Oil Nigeria Plc, on December 5, 2012. Dr. Bissohong is a Director on the Board of HAE (Hydro Alternative Energy) Miami, USA and Chairman of the Corporate Capital Stewardship Committee of MRS Holdings Limited. Dr. Bissohong is a member of the Institute of Directors.

On the 1st of January, 2016, Dr. Bissohong resigned as Managing Director and was redeployed to take on a key project at the Group.

5. DR. SAMAILA MUSA KEWA Ph.D
Director

He holds A Doctorate Degree in Economics From Binghamton University and has worked in various organizations prior to his appointment on the Board of the Company. He was a member of the Plateau State Executive Council and Commissioner for Finance and Commissioner for Education from 1986 – 1988.

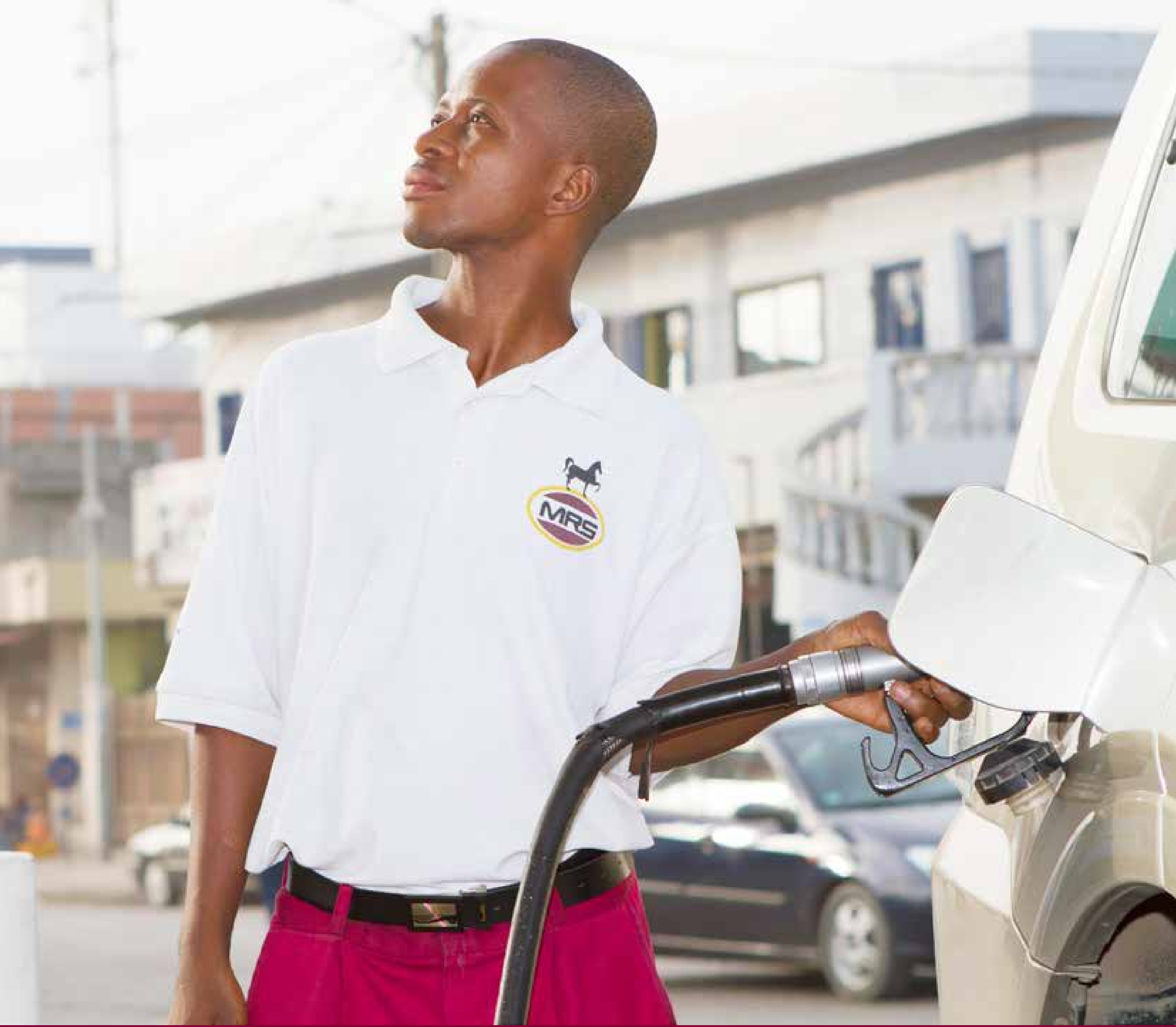
He was seconded from Nigerian National Petroleum Corporation in 2003 to Nigerian LNG Limited as the Deputy Managing Director/ CEO and to National Oil and Chemicals Marketing Plc in 1990 as the Executive Director, Chemical Marketing. He was appointed on the board of Chevron Oil Nigeria Plc, now MRS Oil Nigeria Plc on March 7, 2007.

7. ALHAJI DAHIRU MANGAL BARAU
Director

Alhaji Barau, is the Chairman and Chief Executive of Afdin Group of Companies Nigeria Limited, Max Air Limited and Katsina Dyeing and Printing Textiles Limited.

He is an Executive Director on the Board of Massanawa Travel & Tours and Massanawa Enterprises Limited, amongst others. He was appointed on the Board of the Company on March 20, 2009.

Following Alhaji D.M. Barau's nomination to the board for the appointment of an alternate director in his stead; the board approved the appointment of Mr. Lawal Mangal as his alternate on May 10, 2012.



“

MRS Oil Nigeria Plc has great passion and commitment to Africa and its people. We are an African company with an eye to put Africa on the global listing of world class companies. Our trade mark is ‘excellence through partnership’.

”

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 2015.

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 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 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 12 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 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 Stock Exchange.

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 ChevronTexaco 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 1 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 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.

Currently about 253,988,672 shares are held by about 24,131 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 manufacture of petroleum related products in Nigeria. With about 138 active Company owned operating outlets and more than 255 third party owned operating outlets, MRS Oil Nigeria Plc is a major player in Nigeria's petroleum products marketing industry. MRS is also 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 and manufacturing of greases.

Company Results:

The summary of the results of the Company as included in the financial statements are as follows:

YEAR ENDED 31 DECEMBER	2015 N'000	2014 N'000
Revenue	**87,099,216**	92,325,405
Profit Before Tax	**1,460,843**	1,282,053
Taxation	**(525,218)**	(535,649)
Profit for the Year	**935,625**	746,404
Proposed Dividend for the Year	**279,388**	223,510
Earnings Per 50k share (Naira)	**3.68**	2.94
Declared Dividend per 50k share(Kobo)	**88**	74.93
Net Assets per 50k share	**8,258**	7,960

Dividend:

The Board proposes to pay N1.10 per share, as final dividend (2014:88 kobo per share). The proposed dividend which amounts to approximately N279.39 million will, if approved at the Annual General Meeting of the Company, be paid on 4th August 2016 to shareholders on the register of the Company at the close of business on 8th July 2016 and is subject to appropriate withholding tax.

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.

The Directors:

The Directors in office during the year are listed below and except where stated, served on the board in 2015:

NAME	NATIONALITY	DESIGNATION	APPOINTMENT/ RESIGNATIONS (A/R)
Alhaji. S. I. Dantata		Chairman	March 20, 2009 (A)
Dr. P. Bissohong	Cameroonian	Managing Director	December 5, 2012 (A)
Mr. A.O. Gbodume		Executive Director (F&A)	May 12, 2011 (A)
Mr. P. Alberti	French	Non-Executive Director	March 20, 2009 (A)
Dr. S. Kewa		Non-Executive Director	March 7, 2007 (A)
Ms. A. Maina		Non- Executive Director	November 6, 2013 (A)
Alhaji Dahiru Mangal Barau*		Non- Executive Director	March 20, 2009 (A)

* Mr. Lawal Mangal is the Alternate of Alhaji Dahiru Mangal Barau effective from the10th of May, 2012.

Board Changes:

Mr. Andrew Oghenovo. Gbodume was appointed Managing Director (Ag.) of the Company on January 1, 2016, following the resignation of Dr. Paul Bissohong as Managing Director on January 1, 2016 to take on another assignment within the MRS Group.

Election/Re-election of Directors:

In accordance with Articles 90/91 of the Company's Article of Association, Alhaji Sayyu Dantata, Mr. Patrice Alberti and Ms. Amina Maina retire by rotation and being eligible, offer themselves for re-election.

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 purposes of Sections 275 of the Companies and Allied Matters Act of 2004 and the listing requirements of the Nigerian Stock Exchange are as follows:

1. Dr. Samaila M. Kewa and Ms. Amina Maina directly own 1,989 and 26,503 shares in the Company respectively. (2014: 1989; 26,503)

2. Sayyu Dantata is a shareholder in MRS Holdings Limited incorporated in Nigeria, which owns 50% of the shares in Corlay Global SA incorporated in Panama. Corlay Global SA owns 100% of the shares in MRS Africa Holdings Limited incorporated in Bermuda, which owns 60% of the shares in MRS Oil Nigeria Plc.

Directors' Interest in Contract:

In accordance with Section 277 of the Companies and Allied Matters Act 2004, none of the Directors have notified the Company of any direct or indirect interest in any contract or proposed contract with the Company.

Major Shareholders:

According to the Register of Members as at 31 December 2015, the following shareholders of the Company hold more than 5% of the issued ordinary share capital of the Company.

Name	Units	Percentage %
MRS Africa Holdings Limited	152,393,190	60%
First Pen Cust / Asset Mgt Corp of Nig	26,599,865	10.47%

Analysis of Shareholding:

According to the Register of Members at 31 December 2015, the spread of shareholding in the Company is presented below ;

Number of holding Local shareholders:			Number of shareholders	Number of shares held	Percentage of shareholding
1	-	500	9,264	2,059,443	0.8%
501	-	1,000	3,751	2,827,173	1.1%
1,001	-	5,000	8,673	20,111,063	7.9%
5,001	-	50,000	2,289	26,826,619	10.6%
50,001	-	100,000	85	6,028,387	2.4%
100,001	-	500,000	60	11,144,561	4.3%
500,001	-	1,000,000	5	3,514,021	1.38%
1,000,001	-	50,000,000	3	29,084,215	11.45%
Total			**24,130**	**101,595,482**	**39.93%**
Foreign shareholders					
Over					
50,000,001	-	253,988,672	1	152,393,190	60%
TOTAL			**24,131**	**253,988,672**	**100%**

Acquisition of Its Own Shares:

The Company did not acquire its shares during the year.

ISO Certification:

The Company is committed to the continued regulation of its quality management system by the International Standards Organisation ISO:9001 2008. In the year under review, ISO conducted its annual audit and was satisfied that the Company consistently maintains high compliance levels.

The Managing Director/CEO has the responsibility of ensuring that the Company 's activities are conducted in the safest and most efficient manner and to deliver value to its stakeholders.

Employment Policy:

The Company is committed to selecting and employing the best qualified individuals for positions, consistent with the Company's long term best interest. The determining factors in recruiting, hiring, selecting and placing employees are the overall requirements of the job.

The objective of the policy is to provide a level of remuneration that is sufficient to attract, retain and motivate high quality employees to run the Company successfully and to ensure that there is an alignment between the Company's business plan and shareholder objectives.

Employment of the Physically Challenged:

The Company maintains a fair policy in considering job applications of physically challenged persons having regard to their abilities and aptitude. The Company did not employ any physically challenged person during the year.

Diversity:

The Company provides a working environment that promotes diversity within its workforce and enables employees to participate and contribute to the growth of the Company. The policy prohibits any form of discrimination on the basis of disability, race, religion, colour, national or ethnic origin, age, sex, political preference, membership or non-membership of any lawful organization or any other basis in the recruitment, training and career development of employees.

Employees Health, Safety and Environment:

The Company is committed to identifying and maintaining high standards of safety, health and environmental risk management in the work place for its employees and for suppliers, customers and the public in line with best global HSE standards. In the year under review, consistent Health, Safety and Environment (HSE) standards continued to guide the Company's operations and activities and define appropriate control measures, to prevent workplace accidents, illness, injuries and the protection of environmental pollution.

The main occupational safety and health hazards associated with the Company's businesses are safety and injury hazards, fire and explosion, slips, trips and falls, confined space entry, contact injury hazards, health and illness hazards and environmental pollution. These hazards are respectively derived from motor vehicle crashes during product haulage, mobility of employees and contractors, presence of highly combustible hydrocarbon liquids and explosive hydrocarbon vapours. The Company adopts best practices and uses a system approach based on PDCA cycle (Plan-Do-Check-Act) in hazard management. Critical metrics are monitored for improvement in the Company's operations.

The HSE department organized related trainings within the organization to build organizational capability in contractors and employees and provide safe and reliable services to customers. The trainings organized are Service Station Safety for Station Managers and Customer Service Assistants (CSAs), Road Transport Safety (RTS) training and audit of fuel haulers, Engineering Contractors Annual HSE/Safe Works Practices (SWP) Review Forum, Hazard Communication and Forklift drivers training for Lube Plant personnel, Incident Investigation and Reporting Requirements, Airside operations safety and compliance basic training by Federal Airports Authority of Nigeria (FAAN) and First Aid Responders Basic Training.

In the year under review, the following government agencies carried out regulatory inspections and audits, on the Company's facilities and operations, to ensure compliance to industry regulations and standards.

1. Nigerian Ports Authority-LPC (HSE Committee, Fire Service and Pollution Control Unit).
2. National Oil Spill, Detection and Response Agency (NOSDRA).
3. Federal Ministry of Labour and Productivity Inspection Directorate.
4. Directorate of Petroleum Resources (DPR).
5. Standard Organization of Nigeria (SON).
6. Manufacturers Association of Nigeria (MAN).
7. FAAN HSE and Airport Rescue and Fire Fighting Services (ARFFS) MMA.
8. Nigerian Civil Aviation Authority (NCAA).

Furthermore, to maintain the state of good health and wellbeing of its employees in the year under review, the Company continued to provide quality health and medicare services for employees and their families, through its preferred Health Management Organizations (HMOs) at their different locations nationwide. The operation of in-house clinics at Apapa Lube plant/Fuel Terminal and the Head Office, were also sustained. The Human Resources department ensured that prompt attention was given to workplace illnesses, injuries and incidents during the year.

In addition, several Wellness/Health Talks and Presentation on topical issues on occupational safety and health were organized during the year, to increase awareness of employees. Health talks were held on the following:

1. Work-Life Balance
2. Effective Stress Management
3. Tuberculosis and Diabetes
4. Kidney Disease
5. Hypertension

It is worthy of note, that the Company is committed to its regulatory requirements and ensures continual improvement and best practices in HSE performance in all its business and operational units. Proactivity is a cost effective way of managing occupational safety, health and environmental hazards.

Employees Involvement, Training and Development:

Various employees took part in training and development programs in the year under review. Several in-house trainings were organized by the Human Resources department for various departments (Human Resources, Information Technology, Audit and Security), as well as an IFRS Refresher course for the Finance department. A Lubricant Sales Conference and Retail Site Management training was organized for the Sales and Marketing department, while Driver and Equipment Management, General Work Permit and Near Miss Reporting workshop was organized for the Operations department. There were also local external trainings for select employees in various units. Other trainings attended within the year under review include an Advanced Company Direction Program, IATA Fuel Forum, Lubricants Product Knowledge, to mention a few.

As part of our corporate values to continually train our employees to become the best professionals, 30 professional membership subscriptions were sustained in the year under review.

Contributions and Charitable Donations:

During the year, the Company made the following donations/contributions in fulfillment of its Corporate Social Responsibility:

The Company liaised with various local governments prior to the conduct of the training. Approvals were received from the local governments to train the Head teachers of the schools below:

SPONSORSHIP OF TRAINING PROGRAMME FOR 34 HEAD TEACHERS IN PUBLIC PRIMARY SCHOOLS		AMOUNT (₦)
NAME		
1.	Agidingbi Primary School, Agidingbi.	32,500
2.	Anifowoshe Primary School, Obasa Street, Off Oba Akran Avenu, Ikeja.	32,500
3.	Army Children Primary School, Military Cantonment, Ikeja.	32,500
4.	Brigade Primary School, Military Cantonment, Ikeja.	32,500
5.	Estate Primary School, Ikeja.	32,500
6.	GRA Primary School, GRA, Ikeja	32,500
7.	Model Nursery and Primary School, GRA, Ikeja.	32,500
8.	Ogba Primary School, Behind Ogba Oluwole Housing Estate, Ogba.	32,500
9.	Ojodu I Primary School, Ojodu.	32,500
10.	Ojodu II Primary School, Ojodu.	32,500
11.	Ojodu III Primary School, Ojodu.	32,500
12.	Oke - Ira Primary School, Ogba.	32,500
13.	Onilekere Primary School, Cement Bus Stop, Lagos - Abeokuta Express Way.	32,500
14.	Shogunle Primary School, Akintayo Shogunle Street, Ikeja.	32,500
15.	State Primary School, Ikeja.	32,500
16.	St. Peters Anglican Primary School, Alausa.	32,500
17.	Tokunbo Alli Primary School, Ikeja.	32,500
18.	Wesley Primary School, Oshodi.	32,500
19.	Hope Primary School, Oshodi.	32,500
20.	Temidire Primary School, Shogunle.	32,500
21.	State Primary School, Mafoluku.	32,500
22.	St. Pauls Ang. Primary School, Mafoluku.	32,500
23.	State Primary School, Oshodi.	32,500
24.	New State Primary School, Oshodi	32,500
25.	Monsuro Agoro Memorial Primary School, Mafoluku.	32,500
26.	Mafoluku Primary School, Mafoluku.	32,500
27.	Larinde Primary School, Mafoluku.	32,500
28.	Ipesa Balogun Primary School, Mafoluku.	32,500
29.	Community Primary School, Ewutuntun, Mafoluku.	32,500
30.	Central Primary School, Oshodi.	32,500
31.	Bashiru Dania Primary School, Mafoluku.	32,500
32.	Ajibulu Primary School, Mafoluku.	32,500
33.	Ago - Owu Primary School, Shogunle.	32,500
34.	Afariogun Primary School, Shogunle.	32,500
	TOTAL	**1,105,000**

SPONSORSHIP/DONATION TO ORPHANAGE HOMES/CHARITY ORGANISATIONS AND WOMEN EMPOWERMENT PROGRAMMES IN 8 GEOPOLITICAL ZONES AMOUNT

35.	Women Empowerment Programme for Entrepreneurs (10 beneficiaries).		
	a) Oluwatoyin Taiwo Adedapo	To support initiative	145,000
	b) Emediong Ambrose	To support initiative	145,000
	c) Oluwaseun Dorcas Owa	To support initiative	145,000
	d) Asebakoghene Eva Sogolo	To support initiative	145,000
	e) Oluwatunmise Taiwo Adeola	To support initiative	145,000
	f) Ego Maureen Ire	To support initiative	145,000
	g) Toyin Elizabeth Thomas	To support initiative	145,000
	h) Suzan Ngozi Ojo	To support initiative	145,000
	i) Nnenna Helen Okororie	To support initiative	145,000
	j) Nnenna Victory Adeyemi	To support initiative	145,000
36.	Business day Awards.	To support programme	1,000,000
37.	Sponsoring of 40 Nigerian Stock Exchange Market Annuals.	To support programme	1,000,000
38.	Leadership training/workshop on Creative Thinking Nation Building for public school students.	To support initiative	100,000
39.	Ovie Brume Foundation (Sponsor a Child Maria Enejo)	To support initiative	168,500
40.	ICSAN	To support programme	100,000
41.	Cerebral Palsy Centre, Surulere	To support programme	100,000
42.	Sponsor a Cerebral Palsy Child - Chizimuzondu Nweke	To support initiative	50,000
44.	Finished Work Enterprises empowering youths.	To support programme	100,000
45.	Widows, the less privileged and challenged – The Addo Project.	To support programme	100,000
46.	Mentoring Initiative for Leadership and Empowerment for young graduates and future leaders.	To support initiative	100,000
	TOTAL		**4,268,500**
	GRAND TOTAL		**5,373,500**

Donations made in 2015 amounted to N5,373,500.

In accordance with Section 38(2) of the Companies and Allied Matters Act, the Company did not make any donations or give any gift to any political party, political association or provide funds for any political purpose in the course of the year under review.

Information Technology Upgrades:

The Company is committed to the provision of regular information technology infrastructure upgrade for its head office and field locations to assist with online monitoring of its field transactions. Information Technology achievements in the year under review include:

1. Integration of the Apapa Terminal, Lubes and Aviation site offices voice and data network at MON Head office.

2. Installation of 2 new servers for the upgrade of active Directory Domain Controllers (DDC), to improve users and server administration and network security

3. Installation and configuration of an Electronic Document Management System (EDM) server for the conversion and storage of E-documents.

4. Set up a governance and management of enterprise IT and a system information recovery plan and implementation.

Internal Audit Function and Internal Controls:

The Internal Audit head of the Company is a competent professional with high integrity. He is a chartered accountant who manages inherent risks in the day to day business operations of the Company and provides oversight functions on the effectiveness and appropriateness of the Company's internal systems and processes.

The Internal Audit team submits its report to the Audit Committee of the Company. The internal controls and processes are regularly reviewed and assessments are carried out to ascertain the effectiveness and appropriateness of the internal controls.

Appointments and Promotions:

The Company is committed to attracting, recruiting and retaining skilled and experienced personnel into the organization for future growth and continuity of its operations. The Company will continue to identify and reward positive contributions by its employees who excel in their various functional areas.

Staff Strength:

As at 31 December 2015, the Company's staff strength was 82. This number excludes expatriates and employees on secondment from MRS Holdings Limited.

Property, Plant and Equipment:

Information relating to changes in the Company's property, plant and equipment is given in Note 12 to the financial statements. In the Directors opinion, the market value of the Company's properties are not less than the value shown in the financial statements at the year end.

Auditors:

In accordance with Section 357(2) of the Companies and Allied Matters Act of Nigeria, the auditors, KPMG Professional Services have indicated their willingness to continue in office as auditors.

By the Order of the Board

O.M. Jafojo (MRS.) ACIS (UK)
Company Secretary
FRC NO: 2013/NBA/00000002311

30th March 2016

CORPORATE GOVERNANCE REPORT

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

Ethical Standards:

In line with the Companies and Allied Matters Act, 2004, the Securities and Exchange Commission's Code of Corporate Governance, the Nigerian Stock Exchange Rules and Regulations and other statutory regulations, the Directors continue to act with utmost integrity and high ethical standards, in their business dealings with the Company

The Directors are aware of their primary responsibility of ensuring its activities and business dealings are governed by integrity and ethical standards.

Board Composition:

The Company's Board currently comprises of a Non-Executive Chairman, Executive Directors and Non-Executive Directors. The Executive Directors have extensive knowledge of the oil and gas industry, while the Non-Executive Directors bring in their broad knowledge of business, financial, commercial and technical experience to the board.

Annually, the Board routinely reviews the board structure to ensure that there is a satisfactory balance of Executive and Non-Executive Directors in the Company. However, this balance may be reviewed on an ongoing basis, bearing in mind the size of the Company and its ownership structure.

In the year under review, there were 7 Directors on the Board of the Company; each Director bringing their wealth of experience to bear on deliberations at Board Meetings.

Separation of Powers:

There is a separation of powers between the Chairman of the Company and the Managing Director/CEO in line with best practice and Corporate Governance standards. The Chairman and the Managing Director of the Company have separate and distinct roles.

The Company Secretariat:

The Company Secretary is a custodian of the Company's history and is responsible for ensuring that the board members are kept 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 it is 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 at the registered office of the Company and at each Annual General Meeting of the Company.

Board Meetings:

The Board meets at least four times a year for regular scheduled meetings to review the Company's operations and trading performance, to set and monitor strategy as well as consider new business options. The Board also meets for unscheduled meetings, if there are specific matters that require its attention.

Attendance at Board Meetings:

The attendance of Directors at board meetings in the year under review is noted below:

MRS Oil Nigeria Plc - 2015 Board Meetings

DIRECTORS	DESIGNATION	Feb 26, '15	Mar 26, '15	Apr 29, '15	Jul 28, '15	Aug 4, '15	Oct 30, '15
Alhaji Sayyu I. Dantata	Chairman	x		x		x	
Dr. Paul Bissohong	Managing Director	x	x	x	x	x	x
Mr. Patrice Alberti	Director	x			x	x	x
Mr. Andrew O. Gbodume	Executive Director	x	x	x	x	x	x
Dr. Samaila M. Kewa	Director	x	x	x	x	x	x
Alhaji Dahiru B. Mangal	Director						
Mr. Lawal Mangal	Alternate Director						
Ms. Amina Maina	Director	x	x	x	x	x	x

Sub Committees of the Board:

The Board has established Committees, each with written terms of reference approved by the Board. Currently, there are 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 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.

The current composition of the Board Sub-committees and attendance at meetings in the year under review are as follows:-

1. The Audit Committee

Audit Committee Members	Designation	Feb 20 '15	Mar 25 '15	Apr 28 '15	Jul 27 '15	Oct 29 '15
Engr. Tunji Ijaiya	Chairman	x	x	x	x	x
Baale Isiaka Saliu	Member	x	x	x	x	x
Chief Vincent Barrah	Member	x		x	x	x
Mr. Andrew Gbodume	Member	x	x	x	x	x
Dr. Samaila M. Kewa	Member	x	x	x	x	x
Ms. Amina Maina	Member	x	x	x		x

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

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

2. Board Nominations and Corporate Governance Committee

Board Nominations and Corporate Governance Committee: Members	Designation
Dr. Samaila.M. Kewa	Chairman
Dr. Paul Bissohong	Member
Mr. Andrew O. Gbodume	Member
Mr. Lawal.D. Mangal	Member

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

In the year under review, the Board Nominations and Corporate Governance Committee did not meet.

3. The Strategic and Finance Planning Committee

Strategic Planning and Finance Committee: Members	Designation	Feb 25,' 15	Apr 28,'15	Jun 16,'15	Jul 28,'15	Oct 26,'15
Ms. Amina Maina	Chairman	x	x	x	x	x
Dr. Paul Bissohong	Member	x	x	x	x	x
Mr. Andrew Gbodume	Member	x	x	x	x	x
Dr. Samaila.M. Kewa	Member	x	x		x	x
Mr. Lawal.D. Mangal	Member					

The Committee is responsible for assisting the Board of Directors in performing its guidance and oversight functions effectively and efficiently and is specifically charged with defining the Company's strategic objectives, determining its financial and operational priorities, making recommendations regarding the Company's dividend policy and evaluating the long-term productivity of the Company's operations.

In the year under review, the Strategic and Finance Planning Committee met 5 times.

4. Human Resources Committee

Human Resources Committee Members	Designation	Feb 25, '15	Mar 25, '15	Oct 26, '15
Dr. Samaila M. Kewa	Chairman	x	x	x
Dr. Paul Bissohong	Member	x	x	x
Mr. Andrew O. Gbodume	Member	x	x	x
Ms. Amina Maina	Member	x	x	x

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

The Chairman and other Directors may be invited to attend meetings of the Committee, but do not take part in any decision making directly affecting their own remuneration. The Committee undertakes an external and independent review of remuneration levels on a periodic basis, to ensure that employment policies are strictly adhered to.

In the year under review, the Human Resources Committee met 3 times.

Shareholders Rights:

The board is committed to the continuous engagement of its shareholders and that shareholder rights are well protected. The board further ensures effective communication to its shareholders regarding notice of meetings and necessary statutory information, at all times.

E-Dividend:

Our records show that several dividends and share certificates remain unclaimed despite publications in the Newspaper to our shareholders and the circulation of the e-dividend forms. Affected shareholders are urged to kindly update their records to enable the Registrars complete the e-dividend process. The e-dividend form is attached overleaf for your necessary and urgent attention.

Statement of Compliance:

The Company has in place, a Securities Trading Policy, which helps to guide 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 business operations on procedures consistent with excellence through partnership and transparency.

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

The Company effectively and efficiently responds to feedback in a bid to improve and exceed customer expectations, clients experience, as well as to deliver excellent service to its stakeholders.

Based on the recommendations of the Securities and Exchange Commission (SEC), the Nigerian Stock Exchange listing rules (as amended) as well as other international best practices, the Company has complied with corporate governance 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's Code of Corporate Governance, a whistle blowing policy is in place which gives room 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.

By the Order of the Board

O.M. Jafojo (MRS.) ACIS (UK)
Company Secretary
FRC NO: 2013/NBA/00000002311

30th March 2016

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER, 2015

TO THE MEMBERS OF MRS OIL NIGERIA PLC

In accordance with Section 359(6) of the Companies and Allied Matters Act 2004, 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 2015 and based on the documents and information available to us, report as follows:

(a) We ascertained 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.

TUNJI IJAIYA
Chairman, Audit Committee
FRC NO: 2014/COREN/00000007638

30th March 2016

Members of the Audit Committee in 2015.

1.	**Alhaji T. Ijaiya**	-	Chairman
2.	**Mr. I. Saliu**	-	Member
3.	**Chief V. Barrah**	-	Member
4.	**Mr. A.O. Gbodume**	-	Executive Director (F & A)
5.	**Dr. S.M. Kewa**	-	Director
6.	**Ms. A. Maina**	-	Director

FINANCIAL STATEMENTS

MRS Oil Nigeria Plc

31 December 2015

KPMG

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Members of **MRS Oil Nigeria Plc**

Report on the Financial Statements

We have audited the accompanying financial statements of **MRS Oil Nigeria Plc ("the Company")** which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 90.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 2015, and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

Report on Other Legal and Regulatory Requirements

Compliance with the Requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the statement of financial position and the statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Oluwafemi O. Awotoye, ACA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
30 March 2016
Lagos, Nigeria

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 N'000	2014 N'000
Assets			
Property, plant and equipment	12	19,053,705	20,212,384
Intangible assets	13	1,144	57,366
Prepayments	30	354,303	297,014
Trade and other receivables	15	1,211	2,044
Total non-current assets		**19,410,363**	**20,568,808**
Inventories	17	6,260,483	3,822,749
Loans and receivables	14	606,985	909,115
Trade and other receivables	15	20,519,974	20,636,012
Witholding tax receivables	16	32,348	36,147
Prepayments	30	289,191	393,988
Cash and cash equivalents	18	19,774,397	11,479,807
Total current assets		**47,483,378**	**37,277,818**
Total assets		**66,893,741**	**57,846,626**
Equity			
Share capital	19	126,994	126,994
Retained earnings		20,850,330	20,091,127
Total equity		**20,977,324**	**20,218,121**
Liabilities			
Employee benefit obligations	20	12,618	16,307
Deferred tax liabilities		5,312,099	5,521,910
Total non-current liabilities		**5,324,717**	**5,538,217**
Security deposits	21	1,573,485	1,502,126
Dividend payable	22(a)	399,889	427,995
Trade and other payables	23	21,226,030	17,328,018
Bank overdraft and short term borrowings	24	16,400,466	11,614,366
Tax payable	11(c)	991,830	1,217,783
Total current liabilities		**40,591,700**	**32,090,288**
Total liabilities		**45,916,417**	**37,628,505**
Total equity and liabilities		**66,893,741**	**57,846,626**

Approved by the Board of Directors on 30th March 2016 and signed on its behalf by:

Mr. Andrew Gbodume (Managing Director, Ag.)
FRC/2012/ICAN/00000000534"

Dr. Paul Bissohong (Director)
FRC/2013/IOD/00000003841"

Mr. Martin Orogun (Chief Financial Officer)
FRC/2013/ICAN/00000004639"

The notes on pages 52 to 90 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 N'000	2014 N'000
Revenue	5	87,099,216	92,325,405
Cost of sales	7	(80,676,760)	(85,366,807)
Gross profit		**6,422,456**	**6,958,598**
Other income	6	1,445,209	1,255,531
Selling and distribution expenses	7	(1,150,744)	(651,353)
Administrative expenses	7	(5,106,400)	(5,130,858)
Operating profit		**1,610,521**	**2,431,918**
Finance income	8	1,730,525	277,712
Finance costs	8	(1,880,203)	(1,427,577)
Net finance costs	**8**	**(149,678)**	**(1,149,865)**
Profit before income tax	**9**	**1,460,843**	**1,282,053**
Income tax expense	11(a)	(525,218)	(535,649)
Profit for the year		**935,625**	**746,404**
Total comprehensive income for the year		**935,625**	**746,404**
Earnings per share (EPS)			
Basic and diluted earnings per share (Naira)	10(a)	3.68	2.94

The notes on pages 52 to 90 are an integral part of these financial statements.

STATEMENT OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

*	Notes	Share capital N'000	Retained* earnings N'000	Total equity N'000
Balance as at 1 January 2014		126,994	19,502,153	19,629,147
Total comprehensive income:				
Profit for the year		-	746,404	746,404
Other comprehensive income		-	-	-
Total comprehensive income for the year		**-**	**746,404**	**746,404**
Transactions with owners of the Company				
Contributions and Distributions				
Dividends declared	22 (b)		(190,314)	(190,314)
Unclaimed dividend written back	22 (b)	-	32,884	32,884
Total transactions with owners of the Company		**-**	**(157,430)**	**(157,430)**
Balance as at 31 December 2014		**126,994**	**20,091,127**	**20,218,121**
		Share capital	**Retained earnings**	**Total equity**
Balance as at 1 January 2015		**126,994**	**20,091,127**	**20,218,121**
Total comprehensive income:				
Profit for the year		-	935,625	935,625
Other comprehensive income		-	-	-
Total comprehensive income		**-**	**935,625**	**935,625**
Transactions with owners of the Company				
Contributions and Distributions				
Dividends declared	23 (b)	-	(223,510)	(223,510)
Unclaimed dividend written back	23 (b)		47,088	47,088
Total transactions with owners of the Company		**-**	**(176,422)**	**(176,422)**
Balance as at 31 December 2015		**126,994**	**20,850,330**	**20,977,324**

*Included in retained earnings is N14.40 billion (2014: N14.40 billion) which represents revaluation surplus on Property, plant and equipment transferred at IFRS transition date. The Company has opted not to distribute this amount.

The notes on pages 52 to 90 are an integral part of these financial statements.

STATEMENT OF
CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 N'000	2014 N'000
Cash flows from operating activities:			
Profit after tax		935,625	746,404
Adjustments for:			
Depreciation	12(a)	1,555,932	1,589,911
Amortisation of intangible assets	13	56,222	82,992
Finance income	8	(1,730,525)	(277,712)
Finance costs		386,917	700,251
Gain on sale of property, plant and equipment	9(a)	-	(519)
(Write-back)/Provision for long-term service award	20	(249)	2,107
Impairment loss on trade receivables - net	7	88,816	55,272
Impairment loss on non-current assets	7	-	85,500
Impairment loss on employee and other receivables	7	3,365	71,742
Net increase in impairment loss on inventory	17	(29,473)	(21,783)
Tax expense	11(a)	525,218	535,649
		1,791,848	3,569,814
Changes in:			
- Inventories		(2,408,261)	3,922,629
- Trade, other receivables and prepayments		72,198	300,827
- Security deposits		71,359	(70,823)
- Trade and other payables		3,901,811	(3,624,741)
Cash generated from operating activities		**3,428,955**	**4,097,706**
Income taxes paid	11(c)	(939,113)	(896,656)
Withholding tax credit notes utilised	11(c)	(21,869)	(146,559)
Long-term service award paid	20	(3,440)	(1,341)
Net cash generated from operating activities		**2,464,533**	**3,053,150**
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		-	1,859
Purchase of property, plant and equipment	12(a)	(397,253)	(537,866)
Purchase of intangible assets	13	-	(59,038)
Amounts paid on behalf of transporters	14	(72,585)	(116,969)
Principal repayment received on amounts advanced to transporters	14	374,715	838,624
Interest received	8	1,730,525	277,712

	Notes	2015 N'000	2014 N'000
Net cash generated from investing activities		**1,635,402**	**404,322**
Cash flows from financing activities:			
Net repayment on short term borrowings		6,582,105	(4,648,416)
Dividends paid	22(b)	(204,528)	(195,194)
Interest paid		(417,758)	(714,781)
Net cash used in financing activities		**5,959,819**	**(5,558,391)**
Net change in cash and cash equivalents		10,059,754	(2,100,919)
Cash and cash equivalents at 1 January		9,683,802	11,770,191
Effect of movements in exchange rates on cash held		30,841	14,530
Cash and cash equivalents at 31 December	**18**	**19,774,397**	**9,683,802**

The notes on pages 52 to 90 are an integral part of these financial statements.

INDEX TO NOTES TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTES TO THE
FINANCIAL STATEMENTS

1. Reporting entity

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

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

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

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

8, Macarthy Street
Onikan
Lagos
Nigeria"

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

The financial statements were authorised for issue by the Company's Board of Directors on 30 March 2016 Details of the Company's significant accounting policies are included in Note 3.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) 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.

(d) Use of judgements and estimates

The preparation of annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

i Judgements, assumptions and estimation uncertainties

Information about judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2015 is included in the following notes:

Note 12 - Impairment test- recoverable amounts are higher than carrying amounts.

Note 20 - Measurement of employee benefits obligations; key actuarial assumptions.

Note 29 - Recognition of contingencies: key assumptions about the likelihood and magnitude of an outflow of economic resources

ii Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. The Executive director (Finance & Administration) has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

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

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

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

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

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

3. Significant accounting policies

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

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Nigerian Naira at the actual exchange 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 assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not re-translated.

(b) Financial instruments

The Company classifies non-derivative financial assets into loans and receivables. The Company classifies non-derivative financial liabilities into the other financial liabilities category.

i. Non-derivative financial assets and financial liabilities - recognition and derecognition

The Company initially recognises loans and receivables on the date when they are originated. Financial liabilities are initially recognised on the trade date.

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

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

ii Non-derivative financial assets - measurement

The Company initially recognizes loans and receivables at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

The Company has only loans and receivables, trade and other receivables, cash and cash equivalents as non-derivative financial assets.

Loans and receivables

"Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances with banks and call deposits with original maturities of three months or less. Short-term borrowings and bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

iii Non-derivative financial liabilities - measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. The Company has the following non-derivative financial liabilities: loans and borrowings, trade and other payables.

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

(c) Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of certain items of PPE at 1 January 2011, the Company's date of transition to IFRS, was determined with reference to their fair value at that date.

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.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

ii Subsequent expenditure

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

iii Depreciation

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

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

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

Land and Buildings

Leasehold Land	Lease Period
Buildings	10 to 25 years
Plant and Machinery	10 to 20 years
Furniture and Fittings	5 years
Automotive equipment	4 to 10 years
Computer equipment	3 years
Office equipment	5 years

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

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

(d) Intangible assets

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

The Company's intangible assets with finite useful lives comprise acquired software.

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.

Amortisation of intangible assets

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation 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. There is no new addition to intangible assets in the current period.

Amortisation 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.

(e) Leases

i Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. At inception or on reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

ii Leased assets

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

iii Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. 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 basis of costing inventories are as follows:

Product Type	Cost Basis
Refined petroleum products (i) (AGO, ATK, PMS, DPK)	Weighted average costs incurred (for regulated products reduced by the value of subsidies due)
Refined petroleum product (ii) (LPG)	First in First Out (FIFO)
Packaging materials, lubricants and greases	Weighted average cost
Inventories-in-transit	Purchase cost incurred to date

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

(g) 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 are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of 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 group 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 grouping together assets with similar risk characteristics.

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

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are 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 recognised, then the previously recognised impairment loss is reversed through profit or loss.

ii Non-financial assets

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

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

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

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

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

(h) 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 periods.

"In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Employees contribute 6% each of their basic salary, transport and housing allowances to the Fund on a monthly basis. The Company's contribution is 12% of each employee's basic salary, transport and housing allowances. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognised in profit or loss as employee benefit expense in the periods during which services are rendered by employees.

ii Other long-term employee benefits

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

iii Termination benefits

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

iv Short-term employee benefits

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

A liability is 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.

(i) Provisions and contingent liabilities

Provisions

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.
A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

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 recognised 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 recognised as liabilities in the statement of financial position.

(j) Revenue
Revenue from the sale of non-regulated products in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Revenue for regulated products is measured at the regulated price of the products. The timing of the transfer of risks and rewards varies depending on whether the customer collects the products himself or the Company delivers 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 later, when delivery is made.

(k) Finance income and finance costs
Finance income comprising of interest income on funds invested, foreign currency gain on financial assets and financial liabilities, and reimbursement of any foreign exchange gain or loss or interest from Petroleum Product Pricing Regulatory Agency (PPPRA). Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprises interest expense on borrowings, bank charges, foreign currency loss on financial assets and financial liabilities, unwinding of the discount on provisions and are recognized in profit or loss using the effective interest method. Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets.

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

(l) 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.

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 offsets the tax assets arising from WHT credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

ii Deferred tax

Deferred tax is recognised in profit or loss except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised for unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset only if certain criteria are met.

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 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.

(m) 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 period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(n) 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' operating 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.

(o) 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.

(p) Government grants

Petroleum Products Pricing Regulatory Agency (PPPRA) subsidies which compensate the Company for losses made on importation of certain refined petroleum products are recognised when there is reasonable assurance that they will be recovered and the Company has complied with the conditions attached to receiving the subsidy. The subsidies are recognised as a reduction to the landing cost of the subsidised petroleum product.

(q) 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.

(r) 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 recognised as a deduction from equity.

4. Standards and Interpretations not yet effective (but available for early adoption)

A number of standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

- Effective for the financial year commencing 1 January 2016

- Disclosure Initiative (Amendments to IAS 1)Effective for the financial year commencing 1 January 2018
- IFRS 15 Revenue from Contracts with Customers Effective for the financial year commencing 1 January 2018

- IFRS 9 Financial Instruments

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

IFRS 14 Regulatory Deferral Accounts, Clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38), Accounting for acquisitions of interests in joint operations (Amendments to IFRS 11), Agriculture: Bearer plants (Amendments to IAS 6 and IAS 41), Equity Method in Seperate Financial Statements (Amendments to IAS 127), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Associates and Joint Ventues: Asset Transactions - Amendments to IFRS 10 and IAS 28), Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) are not applicable to the business of the entity and will therefore have no impact on future financial statements. The directors are of the opinion that the impact of the application of the remaining Standards and Interpretations will be as follows:

Ammendments to IAS 1
The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The ammendments is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company will adopt the amendments for the year ending 31 December 2018.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the allowance for bad debts recognised in the Company.

The amendments apply retrospectively. The Company will adopt the amendments for the year ending 31 December 2018.

NOTES TO THE
FINANCIAL STATEMENTS

5. Revenue	2015 N'000	2014 N'000
Premium Motor Spirit (PMS)	67,998,973	66,198,043
Aviation Turbine Kerosene (ATK)	11,071,777	13,050,196
Automotive Gas Oil (AGO)	3,655,599	8,029,222
Lubricants and greases	2,491,537	2,743,863
Dual Purpose Kerosene (DPK)	1,862,233	2,304,081
Liquidified Petroleum Gas (LPG)	19,097	-
	87,099,216	**92,325,405**

6. Other income	2015 N'000	2014 N'000
Rental and lease income (Note 6(a))	25,932	29,952
Gains on disposal/Sale of property, plant & equipment	-	519
Sundry income (Note 6(b))	819,702	841,336
Income on storage services	599,575	383,724
Total	**1,445,209**	**1,255,531**

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

(b) Sundry income represents service fees for handling and other fees earned in the delivery of products.

7. Expenses by nature	2015 N'000	2014 N'000
Depreciation	1,555,932	1,589,911
Amortization of intangible assets	56,222	82,992
Changes in inventories of lubes, greases and refined products	80,670,719	84,707,597
Rental of service stations, buildings and equipment	176,616	202,647
Advertising expense	73,455	35,224
Consultancy expense	329,986	147,237
Maintenance expense	305,436	250,401
Throughput expense	77,063	729,680
Freight expense	800,715	443,252
Management fees (Note 26 (c))	708,936	585,236
Director's remuneration	6,678	9,400
Employee benefit expense (Note 9 (b))	548,710	785,082
Auditor's remuneration	30,000	27,231
Impairment loss on employee and other receivables	3,365	71,742
Impairment loss on trade receivables	88,816	55,272
Impairment loss on non-current assets	-	85,500
Local and international travel	88,169	113,448
Office expenses and supplies	177,659	159,729
Communication and postage	169,070	144,008
Fines and penalties	-	15,006

	2015 N'000	2014 N'000
Insurance premium	123,685	136,797
Contract labour	511,410	456,414
Sponsorships and donations	26,782	19,934
Licenses and Levies	47,820	28,195
Utilities	33,461	27,771
Subcriptions	2,434	3,864
Board meetings and AGM expenses	45,295	56,631
Security	36,170	36,170
Other expenses	239,300	142,647
Total cost of sales, selling and distribution and administrative expenses	**86,933,904**	**91,149,018**

8. Finance income and finance costs

	2015 N'000	2014 N'000
Finance income		
Interest income on short-term bank deposits	320,495	157,359
PPPRA reimbursement on interest and foreign exchange differential (a)	1,354,914	-
Interest income on loans to transporters (Note 14)	55,116	120,353
Total finance income	**1,730,525**	**277,712**
Finance cost		
Interest expense	342,323	613,515
Bank charges	75,435	101,266
Net foreign exchange loss	1,462,445	712,796
Total finance costs	**1,880,203**	**1,427,577**
Net finance costs/ (income)	**149,678**	**1,149,865**

(a) This amount represents net interest / foreign exchange differential cost claims received from PPPRA arising from delayed subsidy payments relating to products imported.

9. Profit before income tax

(a) Profit before income tax is stated after charging/(crediting):	2015 N'000	2014 N'000
Depreciation (Note 12)	1,555,932	1,589,911
Amortisation of intangible assets (Note 13)	56,222	82,992
Management fees (Note 26(c))	708,936	585,236
Service fee (Note 26(b))	-	102,031
Director's remuneration (Note 9(b)(iv))	6,678	9,400
Employee benefit expense (Note 9(b)(i))	548,710	785,082
Auditor's remuneration	30,000	27,231
Gain on disposal of property, plant and equipment	-	(519)
PPPRA reimbursement on interest and foreign exchange differential	(1,354,914)	-
Net foreign exchange loss (Note 8)	1,462,445	712,796

(b) Directors and employees

i Employee costs during the year comprise:	2015 N'000	2014 N'000
Salaries and wages	371,609	618,953
Other employee benefits	126,770	106,726
Employer's pension contribution	43,449	52,052
Other long term employee benefit charge	6,882	7,351
	548,710	**785,082**

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

	Number 2015	2014
Administration	20	22
Technical and production	2	2
Operations and distribution	26	27
Sales and marketing	34	35
	82	**86**

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

		Number 2015	2014
N	**N**		
1,000,001	2,000,000	-	-
2,000,001	3,000,000	7	19
3,000,001	4,000,000	39	31
4,000,001	5,000,000	8	10
5,000,001	6,000,000	9	10
6,000,001	7,000,000	10	10
7,000,001	8,000,000	5	-
8,000,001	9,000,000	-	1
9,000,001	10,000,000	-	1
Above	10,000,000	4	4
		82	**86**

iv Directors' remuneration for directors of the Company charged to profit or loss account are as follows:

	2015 N'000	2014 N'000
Fees	1,250	1,500
Other emoluments	5,428	7,900
	6,678	**9,400**

The directors' remuneration shown above includes:

Chairman	-	-
Highest paid director	6,678	6,040

Other directors received emoluments in the following ranges:

		Number 2015	2014
Nil		2	2
1,000,001	2,000,000	1	1
2,000,001	3,000,000	1	1

10. Earnings per share (EPS) and Dividend declared per share

(a) Basic EPS

Basic earnings per share of N3.68 (2014: N2.94) is based on profit attributable to ordinary shareholders of N935,625,000 (2014: N746,404,000), and on the 253,988,672 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year (2014: 253,988,672).

	2015	2014
Profit for the year attributable to shareholders (expressed in Naira)	935,625,000	746,404,000
Weighted average number of ordinary shares in issue	253,988,672	253,988,672
Basic earnings per share (expressed in Naira per share)	3.68	2.94

(b) Diluted Earnings per share

The Company had no dilutive ordinary shares to be accounted for in these financial statements. Consequently, diluted and basic earnings per share are the same.

(c) Dividend declared per share

Dividend declared per share of 88 kobo (2014: 74.93 kobo) is based on total declared dividend of N223.51 million (2014: N190.31 million) on 253,988,672 ordinary shares of 50 kobo each, being the ordinary shares in issue during the year (2014: 253,988,672 ordinary shares).

11. Income taxes

Income tax expense

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:

(a) Amounts recognized in profit or loss

	2015 N'000	2014 N'000
Current tax expense:		
Income tax	671,564	962,050
Tertiary education tax	63,465	79,160
Prior year over-provision	-	(45,852)
	735,029	**995,358**
Deferred tax expense:		
Origination and reversal of temporary differences	(209,811)	(459,709)
Tax expense on operations	**525,218**	**535,649**

(b) Reconciliation of effective tax rates

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

	%	2015	%	2014
Profit before income tax		**1,460,843**		**1,282,053**
Income tax using the statutory tax rate	30	438,253	30	384,616
Effect of:				
Impact of tertiary education tax	4	63,465	6	79,160
Effect of tax incentives	(7)	(102,806)	(6)	(74,410)
Non deductible expenses	11	154,253	14	183,028
Prior year over-provision	-	-	(4)	(45,852)
Other differences	(2)	(27,947)	1	9,107
Total income tax expense in income statement	**36**	**525,218**	**41**	**535,649**

(c) Movement in current tax liability

	2015 N'000	2014 N'000
Balance at beginning of the year	1,217,783	1,265,640
Payments during the year	(939,113)	(896,656)
Net provision for the year	735,029	995,358
Withholding tax credit notes utilized	(21,869)	(146,559)
	991,830	**1,217,783**

The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

(d)Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Property, plant and equipment	-	-	(5,494,533)	(5,783,712)	(5,494,533)	(5,783,712)
Employee benefits	3,785	4,892	-	-	3,785	4,892
Impairment loss	137,106	106,164	-	-	137,106	106,164
Inventories	8,800	17,628	-	-	8,800	17,628
Net unrealised exchange difference	32,743	133,118	-	-	32,743	133,118
	182,434	**261,802**	**(5,494,533)**	**(5,783,712)**	**(5,312,099)**	**(5,521,910)**

The Company does not have any unrecognized deferred tax assets or liabilities

(e)Movement in temporary differences during the year

	Balance 1-Jan-14 N'000	Recognized in profit or loss N'000	Balance 31-Dec-14 N'000	Recognized in profit or loss N'000	Balance 31-Dec-15 N'000
Property, plant and equipment	(6,068,376)	284,664	(5,783,712)	289,179	(5,494,533)
Employee benefits	4,662	230	4,892	(1,107)	3,785
Impairment loss	71,348	34,816	106,164	30,942	137,106
Inventories	24,163	(6,535)	17,628	(8,828)	8,800
Net unrealised exchange difference	(13,416)	146,534	133,118	(100,375)	32,743
	(5,981,619)	**459,709**	**(5,521,910)**	**209,811**	**(5,312,099)**

12. Property, Plant and Equipment

(a) The movement on these accounts was as follows:

	Leasehold Land & Buildings N'000	Plant & Machinery N'000	Automotive Equipment N'000	Computer & Office Equip. N'000	Furniture & Fittings N'000	Capital Work in Progress N'000	Total N'000
Cost							
Balance at 1 January 2014	14,438,612	10,149,259	1,646,343	775,767	191,302	373,103	27,574,386
Additions	19,773	233,974	111,434	42,628	12,882	117,175	537,866
Transfers	34,981	254,311	75,311	25,362	-	(389,965)	-
Write-off		(85,500					(85,500)
Disposals	-	-	(18,022)	-	-	-	(18,022)
Balance as at 31 December 2014	**14,493,366**	**10,552,044**	**1,815,066**	**843,757**	**204,184**	**100,313**	**28,008,730**
Depreciation and impairment losses							
Balance as at 1 January 2014	1,502,999	2,796,338	1,100,939	655,686	167,155	-	6,223,117
Charge for the year	293,544	999,625	227,372	63,274	6,096	-	1,589,911
Disposal	-	-	(16,682)	-	-	-	(16,682)
Balance as at 31 December 2014	**1,796,543**	**3,795,963**	**1,311,629**	**718,960**	**173,251**	**-**	**7,796,346**

Property, Plant and Equipment

(a) The movement on these accounts was as follows:

	Leasehold Land & Buildings N'000	Plant & Machinery N'000	Automotive Equipment N'000	Computer & Office Equip. N'000	Furniture & Fittings N'000	Capital Work in Progress N'000	Total N'000
Cost							
Balance at 1 January 2015	14,493,366	10,552,044	1,815,066	843,757	204,184	100,313	28,008,730
Additions	74,885	218,182	55,618	20,799	5,917	21,852	397,253
Transfers	-	-	42,337	-	-	(42,337)	-
Balance as at 31 December 2015	**14,568,251**	**10,770,226**	**1,913,021**	**864,556**	**210,101**	**79,828**	**28,405,983**
Depreciation and impairment losses							
Balance as at 1 January 2015	1,796,543	3,795,963	1,311,629	718,960	173,251	-	7,796,346
Charge for the year	293,768	1,035,397	194,575	24,394	7,798		1,555,932
Impairment loss		-					
Balance as at 31 December 2015	**2,090,311**	**4,831,360**	**1,506,204**	**743,354**	**181,049**	**-**	**9,352,278**
Carrying amounts							
Balance as at 31 December 2015	12,477,940	5,938,866	406,817	121,202	29,052	79,828	19,053,705
Balance as at 31 December 2014	12,696,823	6,756,081	503,437	124,797	30,933	100,313	20,212,384

(b) Impairment assessment

The carrying amount of the Company's net assets exceeded its market capitalization as at the year end. As a result of this, management carried out an impairment test as at 31 December 2015. Based on results of the test, the recoverable amount of the Company's cash generating units (CGU) are higher than the carrying amount i.e fair value less costs of disposal exceeds the carrying amount. None of the Company's assets were impaired as at year end. (2014: Impairment loss of N85.50 million)

(c) The Company holds various parcels of land under lease arrangements. The maximum tenor of the lease is 99 years in line with the Land Use Act. The lease amounts were fully paid at the inception of the lease arrangements and these are depreciated over the lease period. At 31 December 2015, the carrying amount of leased land was N7.92 billion (2014: N8.12 billion).

(d) Capital commitments

Capital expenditure commitments at the year end authorised by the Board of Directors comprise:

	2015 N'000	2014 N'000
Capital commitments	541,805	1,184,645
13. Intangible assets		
Cost		
Balance as at 1 January	234,088	175,050
Additions	-	59,038
Balance as at 31 December	**234,088**	**234,088**
Accumulated amortisation		
Balance as at 1 January	176,722	93,730
Charge for the year	56,222	82,992
Balance as at 31 December	**232,944**	**176,722**
Carrying amount	**1,144**	**57,366**

Amortisation of N56.2 million is included in 'administrative expenses' in the statement of profit or loss and other comprehensive income (2014: N82.99 million).

14. Loans and receivables

"In 2013, the Company purchased tankers from a related party (Rosscourt International Limited) amounting to N2.6 billion. The Company, then entered into an arrangement with some of its transporters to provide these tankers to them, at cost of the tankers plus an interest of 17% per annum. The transporters were expected to repay from freight costs charged to the Company for services rendered and repayment periods range from 12 to 24 months. The transporters made a 20% contribution at the commencement of the arrangement. Outstanding balance on the tankers are secured by the Company's retention of title to the tankers. In March 2015, the arrangement was revised and the interest on outstanding payments was increased to 20% per annum. Also, the tenor was extended for another 12 months and the insurance payments on the trucks for the current period was included as part of the new principal amount. On the basis of retention of title as well as historical payment behaviours of the respective transporters (including continuing business as of date, repayments during the year and adequate insurance cover on the tankers), the Company does not believe that the amounts are impaired and as such no impairment loss has been recorded.

The analysis of the loans was as follows:

	2015 N'000	2014 N'000
Balance as at 1 January	909,115	1,630,770
Insurance	72,585	116,969
Interest accrued	55,116	120,353
Principal and interests repayments received during the year	(429,831)	(958,977)
Balance as at 31 December	**606,985**	**909,115**

Interest income earned with respect to these loans was N55.12 million (2014: N120.35 million) and has been included as part of finance income in profit or loss (Note 8). During the year, there were no additional cost incurred. All cost incurred on renewal of insurance on these trucks and in line with the agreements is fully recoverable from the transporters.

15. Trade and other receivables

	2015 N'000	2014 N'000
Trade receivables	3,697,155	4,234,446
Petroleum Equalisation Fund (PEF)	1,366,129	2,891,780
Petroleum Support Fund (PSF)	375,628	6,807,460
Loans to employees	27,470	52,545
Due from joint operation partners	38,077	47,703
Receivables from registrar	54,244	27,269
Receivables from related parties	14,835,297	6,448,512
Advances paid to suppliers	-	92,190
Other debtors	127,185	36,151
	20,521,185	**20,638,056**
Less: non-current portion	(1,211)	(2,044)
Current portion	**20,519,974**	**20,636,012**

For receivables that are classified as 'current', due to their short-term maturities, the fair value approximates their carrying values.

The Company's exposure to credit risk, market risk and impairment losses related to trade and other receivables are disclosed in Note 25 (a).

16. Witholding tax receivables

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

	2015 N'000	2014 N'000
Balance at 1 January	36,147	119,378
Additions	18,070	63,328
Withholding tax credit note utilised	(21,869)	(146,559)
Balance at 31 December	**32,348**	**36,147**

17. Inventories

	2015 N'000	2014 N'000
Premium Motor Spirit (PMS)	721,485	1,036,245
Lubricants and greases	1,869,542	1,182,725
Aviation Turbine Kerosene (ATK)	315,900	1,365,436
Automotive Gas Oil (AGO)	67,089	114,799
Dual Purpose Kerosene (DPK)	341,759	95,659
Packaging materials and other sundry items	28,167	27,885
Goods in Transit	2,916,541	-
	6,260,483	**3,822,749**

Inventory amounting to N 377.39 million (2014 : N64.30 million) was held in a facility owned by MRS Oil and Gas Limited, a related party (Note 26). Also, Premium Motor Spirit. Amounting to N2.92 billion was in transit as at year end.

The value of changes in products, packaging materials and work-in-progress included in cost of sales amounted to N79.99 billion (2014: N84.71 billion). In 2015, there was reassessement of inventory which resulted in additional provision of N29.47 million. (2014: (N21.78) million). The additional provision has been recorded in "cost of sales" in the statement of Profit or Loss and Other Comprehensive Income.

18. Cash and cash equivalents

		2015 N'000	2014 N'000
Cash at bank and on hand		1,301,602	765,304
Short term deposits with banks	(Note 18 (a))	18,472,795	10,714,503
Cash and cash equivalents in the statement of financial position		**19,774,397**	**11,479,807**
Bank overdrafts used for cash management purposes (Note 24)		-	(1,796,005)
Cash and cash equivalents in the statement of cash flows		**19,774,397**	**9,683,802**

(a) Short term deposits with banks represent placements with commercial banks for periods between 0 - 90 days. Included in short term deposits are unclaimed dividends amounting to N408.79 million (Dec 2014: N387.79 million) held in separate bank accounts in accordance with guidelines issued by Securities and Exchange Commission. This amount is restricted from use by the Company. Also included in short term deposits with banks is an amount of N7.49 billion (Dec 2014: N9.33 billion) being the balance on the sinking fund account. The sinking fund account is used to finance import finance facilities held with the Company's Bankers (Note 24).

19. Share capital

Authorised:	**2015 N'000**	**2014 N'000**
271,657,230 Ordinary shares of 50k each	135,829	135,829
Issued and fully paid:		
253,988,672 Ordinary shares of 50k each	126,994	126,994
Issued and fully allotted:		
253,988,672 Ordinary shares of 50k each	126,994	126,994

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.

20. Employee benefit obligations

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

	2015 N'000	**2014 N'000**
Year end obligations for:		
Other long term employee benefits	12,618	16,307
Total employee benefit liabilities	**12,618**	**16,307**

(b)The provision was based on an independent actuarial valuation performed by Olurotimi Olatokunbo Okpaise (FRC/2012/NAS/00000000738), a partner with HR Nigeria Limited. The method of valuation used is the projected unit credit method and the last valuation was as at 31 December 2015. Other long term employee benefits comprise long service awards and it is funded on a pay as you go basis by the Company.

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

	2015 N'000	2014 N'000
Balance as at 1 January	16,307	15,541
Provision for the year :	-	-
Current service cost	4,694	5,259
Interest cost	2,188	2,092
Discontinued benefits due to contract change	(6,297)	-
Remeasurement gains (net)	(834)	(5,244)
Benefits paid by the employer	(3,440)	(1,341)
Balance as at 31 December	**12,618**	**16,307**

(c) Actuarial Assumptions

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

	2015	2014
Long-term average discount rate (p.a.)	12%	15%
Future average pay increase (p.a.)	11%	12%
Average rate of inflation (p.a.)	9%	9%
Average Duration in years (Long Service Awards)	7.29	7.37

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

Sample age	2015 Number of deaths in year out of 10,000 lives	2014 Number of deaths in year out of 10,000 lives
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Assumptions regarding future mortality rates are based on published statistics and mortality tables by institute of Faculty of Actuaries in the UK.

Withdrawal from Service

Age Band	2015	2014
	Rates	
≤ 30	0.5%	0.5%
31 - 39	0.5%	0.5%
40 - 44	0.5%	0.5%
45 - 60	0.0%	0.0%

It is assumed that all the employees covered by the long service award scheme would retire at age 60 (2014: age 60).

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

		Long Service Award N'000
Discount rate	(0.01)	13,600
	+1%	11,760
Salary increase rate	(0.01)	12,029
	+1%	13,272
Inflation rate	(0.01)	12,275
	+1%	13,015
Mortality rate		
Age rated up by 1 year		12,653
Age rated down by 1 year		12,579

21. Security deposits
These are collateral deposits paid by dealers who maintain credit facilities with the Company. These amounts are set-off on a periodic basis to cater for operational losses. These deposits do not bear interest and these amounts are refundable to the dealers at the termination of the business arrangements.

The Company's exposure to liquidity risks related to security deposits is disclosed in Note 25 (b).

22. Dividends
(a) Declared dividends

The following dividends were declared and paid by the Company during the year.

	2015 N'000	2014 N'000
88 kobo per qualifying ordinary share (2014: 74.93 kobo)	223,510	190,314

After the respective dates, the following dividends were proposed by the Directors. The dividends have not been provided for and there are no income tax consequences.

	2015 N'000	2014 N'000
N1.10 per qualifying ordinary share (2014: 88 kobo)	279,388	223,510
Dividend payable		
Balance as at 1 January	427,995	465,759
Declared dividend	223,510	190,314
Payments	(204,528)	(195,194)
Unclaimed dividend written back to retained earnings	(47,088)	(32,884)
Balance as at 31 December	**399,889**	**427,995**

(i)Unclaimed dividends transferred to retained earnings represents dividends which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with Section 385 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federal Republic of Nigeria, 2004.

(ii)As at 31 December 2015, dividend payable held by the Company was N345 million (2014: N400.73 million). The balance of N54.24 million (2014: N27.27 million) was held with the Company's registrar, CardinalStone (Registrars) Limited.

23. Trade and other payables

	2015 N'000	2014 N'000
Trade payables	5,446,521	8,554,670
Accrued expenses	534,827	798,250
Amounts due to joint arrangement partners	110,527	62,519
Advances received from customers	993,441	1,247,551
Bridging allowance	1,333,897	1,703,386
Amounts due to related parties	12,437,570	4,756,045
Pension payable (Note 23(a))	752	784
Other tax liabilites	368,495	204,813
	21,226,030	**17,328,018**

(a) The balance on the pension payable account represents the amount due to Pension Fund Administrators which are yet to be remitted at the end of the year.The movement on this account during the year was as follows:

	2015 N'000	2014 N' 000
Balance as at 1 January	784	2,784
Contributions during the year	33,598	75,758
Payments during the year	(33,630)	(77,758)
Balance as at 31 December	**752**	**784**

24. Bank overdraft and other short term borrowings

	2015 N'000	2014 N'000
Bank overdraft (Note 18 and Note 24(a))	-	1,796,005
Bank borrowings (Import Finance Facilities) (Note 24(b))	16,400,466	9,818,361
Total Borrowings	**16,400,466**	**11,614,366**

(a) Interest rates on these facilities ranged between 18% to 22% per annum (2014: 18% - 22%). Where the fixed deposit held is in excess of the overdraft, interest income is earned. There is no right of set-off between the overdraft and the deposits held. The net interest expense incurred in the year relating to overdrafts and short term borrowings amounted to N190.78 million (2014: N212.13 million).

(b) Import Finance Facilities represents short term borrowings obtained to fund letters of credits for product importation. These facilities are either secured with products financed, domiciliation of Petroleum Products Pricing Regulatory Agency (PPPRA) payments or the Company's sinking fund account with a balance of N7.49 billion as at year end (2014: N9.33 billion). The sinking fund account is included in the short term deposits (Note 18).

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

25. 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 other related parties.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

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. Under the credit policies all customers requiring credit above a certain amount are reviewed and new customers analysed individually for creditworthiness 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 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 (Note 23). 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.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a key distributor or retail distributor, geographic location, and existence of previous financial difficulties. Customers with no trading activities for a period of up to one year are placed on a dormant customer list, and future sales are made on a prepayment basis only with approval of management.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, customers with outstanding amounts that have not placed orders/traded for a prolonged period of time and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics.

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

	2015 N'000	2014 N'000
Trade receivables		
- Major customers	3,154,947	3,006,376
- Others	965,362	1,565,555
- Impairment	(423,154)	(337,485)
	3,697,155	**4,234,446**
- Due from related parties	14,835,297	6,448,512
- Due from regulators (Government entities)	1,741,757	9,699,240
- Others*	246,976	163,668
	20,521,185	**20,545,866**

* Excludes advances paid to suppliers and withholding tax receivables

All the Company's trade receivables are due from customers within Nigeria.
As at year, the aging of trade receivables that were not impaired was as follows:

	2015 N'000	2014 N'000
Neither past due nor impaired	2,121,928	2,152,718
Past due 0-30 days	843,393	278,216
Past due 31-90 days	427,543	686,005
Past due 91- 120 days	45,503	701,337
Past due 120 days and above	258,788	416,170
	3,697,155	**4,234,446**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2015 N'000	2014 N'000
Balance as at 1 January	337,485	378,671
Impairment loss recognised	108,975	90,000
Bad debt written-off	(3,147)	(96,458)
Reversal of impairment losses	(20,159)	(34,728)
Balance as at 31 December	**423,154**	**337,485**

The impairment loss as at 31 December 2015 relates to several customers that are not expected to be able to pay their outstanding balances, mainly due to economic circumstances. The Company believes that the unimpaired amounts are still collectible, based on historic payment behaviour and extensive analyses of the underlying customers' credit ratings when available. Impairment calculated also takes into consideration the value of the security deposits held by the Company on a customer by customer basis. The impairment loss is included in administrative expenses in profit or loss.

Due from Government entities

This comprises amount due from PPPRA with respect to subsidies/PSF receivable on imported products as well as amounts receivable from PEF with respect to bridging claims.

Determination of amounts due are based on existing regulations/ guidelines and impairment is only recognized when changes occur in the regulations/ guidelines that prohibit or limit recovery of previously recognized amounts. For bridging claims amounting to N1.37 billion recognized as receivable (Note 15), possibilities exist depending on negotiations that settlement will occur via a set off to the extent of bridging allowances amounting to N1.33 billion recorded as a liability (Note 23). However, as the right of set off do not exist, the amounts have been presented gross in these financial statements.

Due from related parties

The Company has transactions with its parent and other related parties who are related to the Company by virtue of being members of the MRS Group. Payment terms are usually not established for transactions within the Group companies and amounts receivable from members of the Group are not impaired except the member is facing bankruptcy. In the directors view, all amounts are collectible. No impairment was recorded with respect to amounts due from related parties in the current year (2014: Nil).

Other receivables

Other receivables includes staff debtors and other sundry receivables. The Company reviews the balances due from this category on a periodic basis taking into consideration functions such as continued business/ employment relationship and ability to offset amounts against transactions due to these parties. Where such does not exist, the amounts are impaired. There were no Impairment loss recognised in this category during the year. (2014: N71.74 million).

Loans and receivables

Loans receivable comprise amounts loaned to some of the Company's transporters. See Note 14. All the transporters still carry out business with the Company as at the year end and the balances due as at year end are secured with title to the trucks that were financed. As such, management does not believe that the amounts are impaired.

Cash and cash equivalents

The Company held cash and cash equivalents of N19.77 billion as at 31 December 2015 (2014: N11.48 billion), which represents its maximum credit exposure on these assets. The cash and cash equivalents (with the exception of N358 thousand held as cash by the Company) are held by banks and financial institutions in Nigeria.

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 finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Company has various credit arrangements with some banks which can be utilised 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 disasters.

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

	Notes	Carrying amount N'000	Contractual cash flows N'000	6 months or less N'000
Non-derivative financial liabilities 31 December 2014				
Overdraft and other short-term borrowings	24	11,614,366	11,614,366	11,614,366
Dividend payable	22	427,995	427,995	427,995
Trade and other payables*	23	16,080,467	16,080,467	16,080,467
Security deposits	21	1,502,126	1,502,126	1,502,126
		29,624,954	**29,624,954**	**29,624,954**
31 December 2015				
Overdraft and other short-term borrowings	24	16,400,466	16,400,466	16,400,466
Dividend payable	22	399,889	399,889	399,889
Trade and other payables*	23	19,864,094	19,864,094	19,864,094
Security deposits	21	1,573,485	1,573,485	1,573,485
		38,237,934	**38,237,934**	**38,237,934**

* Excludes advances received from customers and tax liabilities

Market risk

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

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

Currency risk

The Company is exposed to currency risk on sales and 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 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 Naira (NGN) was based on notional amounts as follows:

In thousands	December 2015 USD	December 2014 USD
Financial assets		
Trade and other receivables	22,772	22,664
Cash and cash equivalents	2,851	789
Financial liabilities		
Short- term borrowings	(82,648)	(58,617)
Trade and other payables	(62,706)	(33,679)
Net statement of financial position exposure	**(119,731)**	**(68,843)**

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 period and has no impact on equity.

	Increase in profit or loss
31 December 2015	**N'000**
USD (20 percent strengthening)	4,705,415
31 December 2014	
USD (20 percent strengthening)	2,306,269

A weakening of the Naira against the dollar at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

The following significant exchange rates were applied during the year

	Average rate		Reporting date spot rate	
	2015 N	**2014 N**	**2015 N**	**2014 N**
US Dollar	192.64	157.03	196.50	167.5

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:

	Carrying amount	
	2015 N'000	**2014 N'000**
Fixed rate instruments		
Bank overdraft and borrowings	16,400,466	11,614,366

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 period would not affect profit or loss.

(c) 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 period was as follows:

	2015 N'000	2014 N'000
Total borrowings (Note 24)	**16,400,466**	**11,614,366**
Less: Cash and cash equivalents (Note 18)	(19,774,397)	(11,479,807)
Adjusted net debt	(3,373,931)	134,559
Total equity	20,977,324	20,218,121
Total capital employed	**17,603,393**	**20,352,680**
Adjusted net debt to equity ratio	(0.16)	0.01

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

The Company is not subject to externally imposed capital requirements.

(d) Fair values

Fair values versus carrying amounts

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 because the carrying amounts are a reasonable approximation of fair values.

	Carrying amount		
	Loans and receivables N'000	Other financial liabilities N'000	Total N'000
31 December 2014			
Financial assets not measured at fair value			
Trade and other receivables	20,545,866	-	20,545,866
Loans and receivables	909,115	-	909,115
Cash and cash equivalents	11,479,807	-	13,114,626
	32,934,788	**-**	**34,569,607**
Financial liabilities not measured at fair value			
Short term borrowings	-	11,614,366	11,614,366
Trade and other payables	-	16,080,467	16,080,467
Security deposits	-	1,502,126	1,502,126
Dividend payable	-	427,995	427,995
	-	**29,624,954**	**29,624,954**

The Company's financial instruments are categorised as follows:

	Carrying amount		
	Loans and receivables	**Other financial liabilities**	**Total**
31 December 2015	**N'000**	**N'000**	**N'000**
Financial assets not measured at fair value			
Trade and other receivables	20,521,185	-	20,521,185
Loans and receivables	606,985	-	606,985
Cash and cash equivalents	19,774,397	-	19,774,397
	40,902,567	**-**	**40,902,567**
Financial liabilities not measured at fair value			
Short term borrowings	-	16,400,466	16,400,466
Trade and other payables	-	19,864,094	19,864,094
Security deposits	-	1,573,485	1,573,485
Dividend payable	-	399,889	399,889
	-	**38,237,934**	**38,237,934**

Trade and other receivables, security deposits, bank overdrafts 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.

26. Related party transactions

(i) Parent and ultimate controlling entity

As at the year ended 31 December 2015, 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. In prior year, MRS Africa Holdings Limited incorporated in Nigeria was disclosed as the ultimate holding company instead of 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 company of MRS Holdings Limited which is a shareholder in Corlay Global SA. Corlay Global SA is the ultimate holding company of MRS Oil Nigeria Plc. The following transactions occurred during the year:

Nature of transactions	**2015 N'000**	**2014 N'000**
Sales of goods	26,900,941	7,882,718
Staff Secondment	(192,660)	193,478
Other services	164,756	
Reimbursements for expenses	724,225	-
Purchase of goods	-	(435,786)

Net balance due from MRS Oil and Gas Limited was N8.91 billion (2014: N1.77 billion).

(b) Petrowest SA (Petrowest)

Patrice Albert is Non-executive director on the Board of MRS Oil Nigeria Plc. He is also a director in Petrowest SA. The following transactions occurred during the year:

Nature of transactions	**2015 N'000**	**2014 N'000**
Purchase of goods	(25,197,535)	(7,564,350)
Goods in transit	(2,916,541)	-
Service fee	-	(102,031)

Net balance due to Petrowest was N6.53 billion (2014: N121.28 million)

(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 Holding Limited has a majority shareholding in MRS Oil Nigeria Plc.

Nature of transactions	**2015 N'000**	**2014 N'000**
Management fees	(708,936)	(585,236)
Sale of goods	76,154	98,874
Storage fees	-	(682,395)
Shared services	48,269	-

Net balance due from MRS Holdings Limited was N285.71 million (2014: N82.98 million)

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

	2015 N'000	2014 N'000
MRS Benin	24,312	17,119
Corlay Togo	(6,015)	14,697
Corlay Benin	(44,736)	(87,504)
Corlay Cote D'Ivoire	(55,216)	(1,872)
Corlay Cameroun	(35,463)	(10,529)
Others	(140,000)	20,659
Total	**(257,116)**	**(47,430)**

The Corlay entities are subsidiaries of Corlay Global SA incorporated in Panama, the parent company of MRS Africa Holdings Limited, and 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 amounting to N377.4 million (2014: N64.3 million).

Key management personnel compensation

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

	2015 N'000	2014 N'000
Short term employee benefits	6,678	9,400

The managing director and executive director, finance and administration are seconded from a related party (MRS Oil and Gas Limited) as part of the management fees agreement existing between the Company and MRS Holdings Limited.

Related Party Transactions above 5% of total tangible assets
In line with Nigerian Stock Exchange - Rules Governing Transactions with Related Parties or Interested Persons, the Company has disclosed transactions with related parties which are individually or in aggregate greater than 5% of the total tangible assets. The total tangible assets amounted to N19.05 billion and the 5% disclosure limit is N952.69 million. During the year, the Company entered into transactions above the 5% disclosure limit with the following related parties:

	2015 N'000	2014 N'000
MRS Oil and Gas Limited (See Note 25(a) above)	27,597,262	7,640,410
Petrowest SA (See Note 25(b) above)	(28,114,076)	(7,666,381)

27. Segment reporting

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

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

The Company has identified three operating segments:
Retail/ Commercial & Industrial - this segment is responsible for the sale and distribution of petroleum products (refined products) to retail customers and industrial customers.
Aviation - this segment involves the sale of Aviation Turbine Kerosene (ATK).
Lubricants - this segment manufactures and sells lubricants and greases.
Segment assets and liabilities are not disclosed as these are not regularly reported to the Chief Operating decision maker.

Segment revenue and cost of sales

2015		**Revenue**		**Cost of sales**		**Gross profit**
	N'000	**% of Total**	**N'000**	**% of Total**	**N'000**	**% of Total**
Retail/C&I	73,535,902	84.43	68,581,438	85	4,954,464	78
Aviation	11,071,777	12.71	10,400,121	13	671,656	10
Lubes	2,491,537	2.86	1,695,201	2	796,336	12
Total	**87,099,216**	**100.00**	**80,676,760**	**100**	**6,422,456**	**100**

2014		**Revenue**		**Cost of sales**		**Gross profit**
	N'000	**% of Total**	**N'000**	**% of Total**	**N'000**	**% of Total**
Retail/C&I	76,531,346	82.89	71,339,365	84	5,191,981	75
Aviation	13,050,196	14.14	12,044,288	14	1,005,908	14
Lubes	2,743,863	2.97	1,983,154	2	760,709	11
Total	**92,325,405**	**100.00**	**85,366,807**	**100**	**6,958,598**	**100**

28. 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 2015 and on the profit for the year ended on that date that have not been taken into account in these financial statements. However, effective from 1 January 2016, the Petroleum Products Pricing and Regulatory Agency (PPPRA) reduced the pump price of PMS from N87 to N86.50. This change has no impact on the financial position and financial performance of the Company as at 31 December 2015.

29. Contingencies

(a) Pending litigations and claims

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The total claims in respect of pending litigations amounted to N17 billion as at 31 December 2015 (2014: N 11.48 billion). In the opinion of the Directors and based on independent legal advice, the Company's liabilities are not likely to be material, thus no provision has been made in these financial statements.

(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.

30. Operating leases

Leases as lessee

The Company leases a number of offices, buses, warehouses and service stations under both cancellable and non-cancellable leases. During the year, an amount of N176.62 million was recognized as an expense in profit or loss in respect of operating leases (2014: N202.64 million). Lease rentals are paid upfront and included in prepayments (current and non-current), which are amortised to profit or loss over the life of the lease except for leases for buses that are paid in arrears on a monthly basis.

	2015 N'000	2014 N'000
Current portion	354,303	297,014
Non-current portion	289,191	393,988

31. Non-audit services provided by KPMG professional services

During the year, the following non-audit services were provided by KPMG Professional Services:

(a) Filing of transfer pricing returns for 2014 financial year. The total amount charged was N1,300,000.

(b) Tax regulatory complaince services for year ended 31 December 2015. The total amount charged was N29,500,000.

(c) Remuneration survey in the downstream oil & gas sector. The total amount charged was N4,500,000.

OTHER NATIONAL
DISCLOSURES

FINANCIAL SUMMARY

Statement of comprehensive income

	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Revenue	87,099,216	92,325,405	87,786,323	79,727,349
Results from operating activities	1,610,521	2,431,918	(1,092,618)	1,587,900
Profit before taxation	1,460,843	1,282,053	1,407,143	378,755
Profit for the year	935,625	746,404	634,418	205,121
Comprehensive income for the year	935,625	746,404	634,418	208,846
Ratios				
Earnings per share (Kobo)	368	294	250	81
Declared dividend per share (Kobo)	88	74.93	23.34	70
Net assets per share (kobo)	8,259	7,960	7,728	7,502
Statement of financial position				
Employment of Funds	**31 Dec 2015 N'000**	**31 Dec 2014 N'000**	**31 Dec 2013 N'000**	**31 Dec 2012 N'000**
Property, plant and equipment	19,053,705	20,212,384	21,351,269	22,013,568
Intangible assets	1,144	57,366	81,320	140,560
Loans and receivables	-	-	655,229	-
Trade and other receivables	1,211	2,044	5,361	7,507
Prepayment	354,303	297,014	303,594	236,673
Net current assets	6,891,678	5,187,530	3,229,534	3,112,717
Employee benefit obligation	(12,618)	(16,307)	(15,541)	(218,415)
Deferred tax liability	(5,312,099)	(5,521,910)	(5,981,619)	(6,238,600)
Net assets	**20,977,324**	**20,218,121**	**19,629,147**	**19,054,010**
Funds Employed				
Share capital	126,994	126,994	126,994	126,994
Retained earnings	20,850,330	20,091,127	19,502,153	18,927,016
	20,977,324	**20,218,121**	**19,629,147**	**19,054,010**

The financial information presented above reflects historical summaries based on International Financial Reporting Standards. Information related to other prior periods has not been presented as it is based on a different financial reporting framework (Nigerian GAAP) and is therefore not directly comparable.

OTHER NATIONAL **DISCLOSURES**

Value added statement For the year ended 31	**December 2015 N'000**		**December 2014 N'000**	
Revenue	87,099,216		92,325,405	
Bought in materials and services				
- Imported	(36,036,491)		(19,934,429)	
- Local	(48,736,549)		(68,756,604)	
	2,326,176		3,634,372	
Other income	1,445,209		1,255,531	
Finance income	1,730,525		277,712	
Value added by operating activities	**5,501,910**		**5,167,615**	
Distribution of Value Added		**%**		**%**
To Government as:				
Taxes and duties	525,218	10	535,649	10
To Employees:				
Salaries, wages, fringe and end of service benefits	548,710	10	785,082	15
To Providers of Finance:				
- Finance cost	1,880,203	34	1,427,577	28
Retained in the Business				
To maintain and replace:				
- Property, plant and equipment	1,555,932	28	1,589,911	31
- Intangible assets	56,222	1	82,992	2
Proposed dividend	279,388	5	223,921	4
To augment retained earnings	656,237	12	522,483	10
Value added	**5,501,910**	**100**	**5,167,615**	**100**

SHAREHOLDER **INFORMATION**

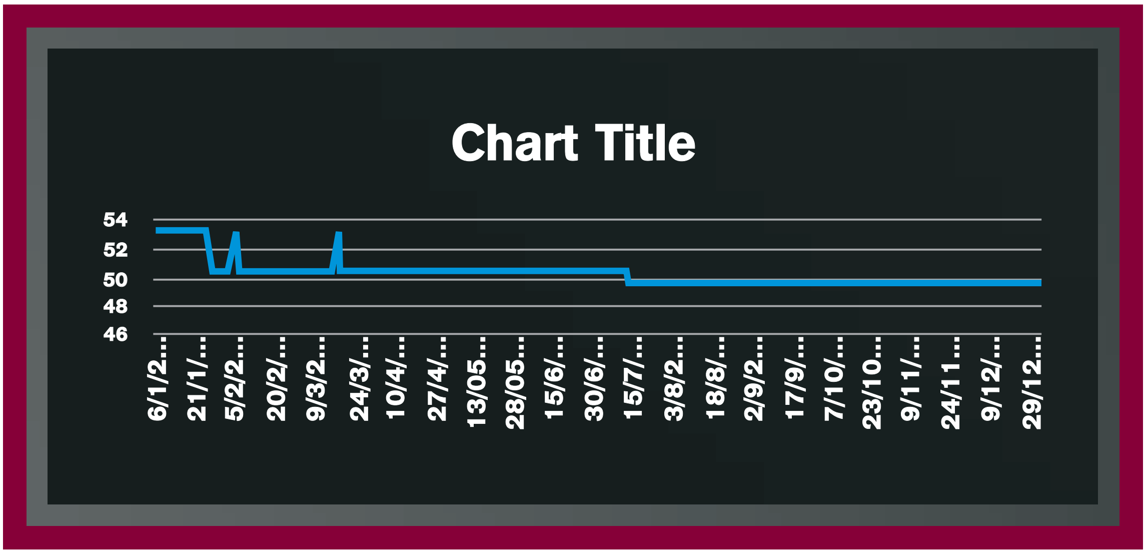
Share Capital History:

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-till date	253,988,672	Bonus 2004 (2:5) – 72,568,192 shares

Dividend Declared:
The following dividends were declared by the Company between 2003 and 2015.

DIVIDEND		DATE DECLARED	AMOUNT
Dividend 31	(Final)	June 14, 2003	15,823,257.18
Dividend 32	(Final)	September 13, 2005	55,700,752.15
Dividend 33	(Final)	July 25, 2006	32,010,760.08
Dividend 34	(Final)	June 27, 2007	119,799,841.83
Dividend 35	(Final)	July 1, 2008	126,376,476.75
Dividend 36	(Final)	July 28, 2010	28,514,886.13
Dividend 37	(Final)	July 27, 2011	34,497,267.40
Dividend 38	(Final)	July 10, 2012	20,940,971.94
Dividend 39	(Final)	August 14, 2013	7,601,286.74
Dividend 40	(Final)	August 7, 2014	141,765,878.66
Dividend 41	(Final)	August 4, 2015	223,744,716.89

SHARE PRICE
MOVEMENT



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

LIST OF **DISTRIBUTORS**

	NAME	ADDRESS
1	HANISU DAN TINKI MOTORS	Km 7, Zaria Road, Kano.
2	GREAT VIGLADIN INVESTMENT NIG LTD	No 5, Silver Smith Coal Camp, Enugu.
3	R.N. IWOBI	MRS Warehouse 127 Club Road, Kano.
4	ADOLF HYMAN NIG LTD	5, Red Cross Road, Ogbete, Enugu.
5	ANGELA ADELOLA LTD	Km 3, Ondo Road, Akure.
6	ARONU MOTORS CO. (NIG) LTD	71, Jubilee Road, Aba.
7	DANBERTON INT NIG LTD	Zone D, Block 3, Shop 2, 55 Trade Fair Lagos.
8	EZEANOCHIE FELIX, CHIEF	19, Beach Road, Opp Union Bank, Jos.
9	ONUORA JOSEPHINE MRS	B 6/4 New Spare Parts, Onitsha.
10	SIMITAL NIG LTD	MRS Station, Olorunsogo Ikanran.
11	T.O. EWEH	144, Murtala Mohammed Highway, Calabar.
12	WOOPET OGBUS VENTURES LTD	Off Garage, Ilorin.
13	ADE DE YOUNG	Shop 6, Exodus Block, Aspamda Trade Fair, Lagos.
14	EGESIMBA PIUS N NIG LTD	Nigerian Prison Quarters, Rivers.
15	MRS OIL STAFF MCS LTD	8, Macarthy Street, Onikan, Lagos.
16	CHURCORL NIG LTD	Shop 35, Aspamda Trade Fair.
17	CLEGEE NIG LTD Lagos.	D10 Shop 83, Aspamda Trade Fair Complex,
18	STEPEX GLOBAL SERVICES NIG LTD	Plot 408, Kubwa/Zuba Express Way Garki, Abuja.
19	A.Y ALHERI	Kano, Kaduna Expressway E.S.F Road, Dogorawa Sabon - Gari
20	MONACO PETROLEUM	12, Alexandra Crescent, Zone A7, Wuse II, Abuja, F.C.T

CORPORATE **DIRECTORY**

LAGOS HEADQUARTERS
8, Macarthy Street, Onikan
P. O. Box 166, LAGOS
Tel: 4614500
Fax: 01-4614602

PORT HARCOURT
4, Reclamation Road
PORT HARCOURT
PMB 5369,
email: Inquiries@mrsoilnigeriaplc.com

WARRI
305, Warri /Sapele Road
P. O. Box 165, WARRI
Tel: 053-254505,
Fax: 053-254505

ENUGU
Km 8, Abakaliki Expressway
Emene, Enugu
P. O. Box 650, ENUGU
Tel: 08035250912

KADUNA
2, Akilu Road
P. O. Box 71, KADUNA
email: Inquiries@mrsoilnigeriaplc.com

KANO
19b Club Road
KANO
email: Inquiries@mrsoilnigeriaplc.com

APAPA Fuels Terminal / Manufacturing Apapa Complex
5, Alapata Street
Apapa, Lagos
P.M.B. 1083, Lagos.
email: Inquiries@mrsoilnigeriaplc.com

JOS
19, Beach Road,
P.O. Box 457
Jos, Plateau State
email: Inquiries@mrsoilnigeriaplc.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 our financial report for the year ended December 31, 2015 that:

(a) We have reviewed the report;

(b) To the best of our knowledge, the report does not contain:
   (i) Any untrue statement of a material fact, or
   (ii) Omit to state a material fact, which would make the statements, misleading in the light of the circumstances under which such statements were made;

(c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of and for 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;"

Managing Director

Chief Financial Officer

Director

30th March, 2016

E-Dividend Form

The Registrar,
CardinalStone (Registrars) Limited,
358 Herbert Macaulay Street,
Yaba,
Lagos

P.O. Box 9117, Lagos
Tel: 01-2665944-53, 01-2641298, 01-7924462
Fax: 01-2714729

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

PROXY CARD

THE ANNUAL GENERAL MEETING OF **MRS OIL NIGERIA PLC** (THE COMPANY) WILL BE HELD AT ...., 2016 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 Wednesday, _______, 2016 and adjournment thereof.

Dated this ______________________________ day of _______________ 2016

Signature ____

NUMBER OF SHARES [ ]

PROPOSED RESOLUTIONS	FOR	AGAINST
1. To lay the Audited Financial Statements for the year ended 31 Dec. 2015 and the Report of the Directors and Auditors thereon.		
2. To declare a dividend		
3. To re-elect Directors under Articles 90/91 and 95 of the Company's Articles of Association. I. Alhaji Sayyu Dantata II. Mr. Patrice Alberti III. Ms. Amina Maina		
4. To re-appoint the Auditors		
5. To authorize the Directors to fix the remuneration of Auditors.		
6. To elect members of the Audit Committee.		
7. To consider and if thought fit, pass the following resolution as an ordinary resolution: That the fees payable to the Non-Executive Directors of the Company be N1,000,000.00 per annum.		
8. That subject to the amendment of the Nigerian Stock Exchange (The Rules Governing Transactions with Related Parties or Interested Persons) a general mandate be and is hereby given to enable the Company enter into recurrent related party transactions of a value equal to or more than: • 5% of the Company's latest audited net tangible assets; or • 5% of the Company's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the financial year or; • 5% of the issued share capital. That the aforementioned is subject to the following: a. The interested persons to the Company's transactions are the MRS Group, and affiliates; the basis for the transactions arise from the indispensable nature of its operation with the Company.		
b. The transactions with related parties involve normal commercial terms, which are the ordinary course		
of business and which are not prejudicial to the interest of the minority shareholders of the Company, nor do they proffer an advantage to related parties over and above the general public. c. The procedure or methods applicable for the determination of the transaction prices, are subject to		
global transfer pricing policy; d. The Company will disclose in its Annual Report, the aggregate value of transactions conducted pursu		
ant to the general mandate (including amongst others), the nature of the recurrent related party trans action; the information of each related parties involved in the related party transaction entered into and the relationship of the related parties with the Company;		
viii. And that pursuant to the General Mandate: (e) The Directors be and are hereby authorized by this ordinary resolution, to complete and do all such acts and things (including the execution of all such documents as may be required) to give effect to the Company's transactions.		
ix To consider and if thought fit to pass the following as Special Resolutions: (i) That the Articles of Association of the Company be and are hereby altered by deleting the present Clause (77) and Clause (102) and substituting the following new Clauses in the articles. Clause 77: "Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than three or more than twelve.		
9. Clause 102: " The Directors may elect a Chairman of their meetings and for such period and on such period and such terms as they think fit; A Chairman so appointed shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation or retirement of Directors, but his appointment shall be automatically determined if he ceases from any cause to be a Director.		
If no such Chairman is elected to chair the meeting, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding same, the Directors present may choose one of their members to be Chairman of the 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
City Securities (Registrars) Limited
358, Herbert Macaulay Street,
Onikan, Lagos.

ADMISSION CARD
MRS OIL NIGERIA PLC

ANNUAL GENERAL MEETING TO BE HELD ....2016 at 11.00 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.

Corporate Office
8, Macarthy Street, Onikan, Lagos.
Tel: 01-4614567, 01-461-4678, 070-531-03568.
Web: www.mrsoilnigeriaplc.com