

Eterna Plc
IFRS Financial Statements for first Quarter
ended 31 March 2022

Eterna Plc
Consolidated Financial Statements For First Quarter Ended 31st March 2022

Consolidated statement of profit or loss and other comprehensive income for first quarter ended 31st March 2022

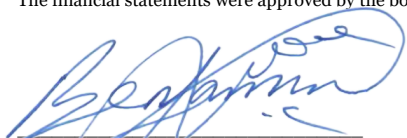
	Notes	Group		Company	
		31 March	31 March	31 March	31 March
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	6	26,823,002	14,389,978	26,779,338	14,461,577
Cost of sales	7.1	(24,522,387)	(13,007,247)	(24,522,367)	(13,172,451)
Gross profit		2,300,615	1,382,731	2,256,971	1,289,126
Selling and distribution expenses	7.2	(33,491)	(36,931)	(33,491)	(36,257)
General and administrative expenses	7.3	(1,103,056)	(795,197)	(1,035,953)	(739,328)
Other income	11	40,703	113,262	40,663	112,772
Foreign exchange gain / (Loss)	12.1	-	-	-	-
Operating profit		1,204,771	663,865	1,228,190	626,313
Finance income	12	22,424	-	22,424	-
Finance cost	13	(215,616)	(289,669)	(215,616)	(289,660)
(Loss)/Profit before tax		1,011,579	374,196	1,034,998	336,653
Taxation	14	(134,115)	(119,743)	(133,897)	(107,729)
(Loss)/Profit for the year		877,464	254,453	901,101	228,924
Other comprehensive income net of tax		-	-	-	-
Total comprehensive (loss)/income for the year		877,464	254,453	901,101	228,924
(Loss)/profit for the year attributable to:					
- Owners of the parent		877,468	254,446	901,101	228,924
- Non-controlling interests		(5)	8	-	-
		877,464	254,453	901,101	228,924
Other comprehensive (loss)/income attributable to:					
- Owners of the parent		877,468	254,468	901,101	228,924
- Non-controlling interests		(5)	(15)	-	-
Total comprehensive income for the year		877,464	254,453	901,101	228,924
Earnings per share:					
Basic	28	0.67	0.20	0.69	0.18
Diluted	28	0.67	0.20	0.69	0.18


The accompanying notes form an integral part of these financial statements

Consolidated and separate statement of financial position

	Notes	Group		Company	
		31 March	31 December	31 March	31 December
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
Non-current assets					
Property, plant and equipment	15	12,366,377	12,401,291	11,750,885	11,779,193
Intangible assets	15	58,945	64,451	58,945	64,451
Right of Use	16	1,965,192	2,065,088	1,965,192	2,065,088
Other investments	18.2	625,382	625,382	625,382	625,382
Investment in subsidiaries	18.1	-	-	50,990	50,990
		<u>15,015,896</u>	<u>15,156,212</u>	<u>14,451,394</u>	<u>14,585,104</u>
Current assets					
Inventories	20	9,246,131	12,037,556	9,217,771	12,019,495
Trade and other receivables	21	12,802,684	12,367,815	13,422,128	12,960,123
Prepayments	17	107,548	94,560	120,165	94,233
Cash and bank balances	22	<u>11,941,273</u>	<u>6,426,159</u>	<u>11,937,077</u>	<u>6,422,003</u>
		<u>34,097,636</u>	<u>30,926,090</u>	<u>34,697,141</u>	<u>31,495,854</u>
Total assets		<u>49,113,532</u>	<u>46,082,304</u>	<u>49,148,537</u>	<u>46,080,958</u>
Non-current liabilities					
Borrowings	23	1,060,374	1,060,374	1,060,374	1,060,374
Lease Liability	26	147,664	147,664	147,664	147,664
Deferred tax liability	19	951,211	951,211	992,212	992,212
Decommissioning liability	24	170,866	170,866	157,020	157,020
		<u>2,330,115</u>	<u>2,330,115</u>	<u>2,357,270</u>	<u>2,357,270</u>
Current liabilities					
Trade and other payables	25	16,172,770	11,329,921	16,147,649	11,292,725
Borrowings	23	17,233,673	20,056,872	17,228,736	20,051,081
Tax payable	14.3	<u>381,132</u>	<u>247,017</u>	<u>380,117</u>	<u>246,220</u>
		<u>33,787,575</u>	<u>31,633,810</u>	<u>33,756,502</u>	<u>31,590,026</u>
Total liabilities		<u>36,117,690</u>	<u>33,963,925</u>	<u>36,113,772</u>	<u>33,947,296</u>
Equity attributable to shareholders					
Share capital	27	652,072	652,072	652,072	652,072
Share premium	27	5,796,053	5,796,053	5,796,053	5,796,053
Retained earnings		<u>6,547,676</u>	<u>5,670,208</u>	<u>6,586,641</u>	<u>5,685,540</u>
		12,995,801	12,118,333	13,034,766	12,133,665
Non -controlling interest		38	46	-	-
Total equity		<u>12,995,839</u>	<u>12,118,379</u>	<u>13,034,765</u>	<u>12,133,665</u>
Total equity and liabilities		<u>49,113,532</u>	<u>46,082,304</u>	<u>49,148,537</u>	<u>46,080,958</u>

The financial statements were approved by the board of directors and authorised for issue on 28th April, 2022. They were signed on its behalf by:


Benjamin Nwaezeigwe
Ag. Managing Director/Chief Executive Officer
FRC/2022/PRO/DIR/003/23332


Abdulkarimu Sule
Chief Financial Officer
FRC/2022/PRO/ICAN/001/00000023899

Consolidated and separate statement of changes in equity

	Attributable to equity holders of the parent						Total Equity N'000
	Group					Non - controlling interest N'000	
	Share Capital N'000	Share premium N'000	Retained Earnings N'000	Other Reserves N'000	Total amount attributable to equity holders N'000		
Balance at 1 January 2021	652,072	5,796,053	6,900,750	-	13,348,875	46	13,348,921
Comprehensive income							
Profit/Loss for the year	-	-	(1,100,128)	-	(1,100,128)	(4)	(1,100,132)
Other Comprehensive income							
Dividend paid	-	-	(130,414)	-	(130,414)	-	(130,414)
Total comprehensive income	-	-	(1,230,543)	-	(1,230,543)	(4)	(1,230,547)
At 31 December 2021	652,072	5,796,053	5,670,208	-	12,118,333	42	12,118,375
Balance at 1 January 2022	652,072	5,796,053	5,670,208	-	12,118,333	42	12,118,375
Comprehensive income							
Profit/loss for the year	-	-	877,468	-	877,468	(5)	877,464
Other Comprehensive income							
Dividend paid	-	-	-	-	-	-	-
Total comprehensive (loss)/income	-	-	877,468	-	877,468	(5)	877,464
At 31 March 2022	652,072	5,796,053	6,547,676	-	12,995,801	38	12,995,839

	Company				
	Share capital N'000	Share premium N'000	Retained earnings N'000	Other Reserves N'000	Total Equity N'000
	Balance at 1 January 2021	652,072	5,796,053	6,894,501	-
Comprehensive income					
Profit/loss for the year	-	-	(1,078,546)	-	(1,078,546)
Other Comprehensive income					
Dividend paid	-	-	(130,414)	-	(130,414)
Total comprehensive income	-	-	(1,208,961)	-	(1,208,961)
At 31 December 2021	652,072	5,796,053	5,685,540	-	12,133,665
Balance at 1 January 2022	652,072	5,796,053	5,685,540	-	12,133,665
Comprehensive income					
Loss for the year	-	-	901,101	-	901,101
Other Comprehensive income					
Dividend paid	-	-	-	-	-
Total comprehensive (loss)/income	-	-	901,101	-	901,101
At 31 March 2022	652,072	5,796,053	6,586,641	-	13,034,766

Consolidated and separate statement of cash flows

	Notes	Group		Company	
		31 March 2022 N'000	31 December 2021 N'000	31 March 2022 N'000	31 December 2021 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
(Loss)/Profit before taxation		1,011,579	(936,415)	1,034,998	(914,829)
Adjustments for non-cash items:					
Depreciation	15	205,111	768,984	186,841	695,856
Amortisation of Intangible Assets	15	5,506	21,473	5,506	21,473
Amortisation of prepayments	17	8,564	28,028	8,564	28,028
Amortisation of right of use assets	16	99,896	393,185	99,896	393,185
Bad Debt written off	7.3	-	110,682	-	110,682
Provision no longer required	11	-	(12,111)	-	(12,111)
Property, plant & equipment written off	15	-	-	-	-
Finance cost	13	162,417	1,037,332	162,417	1,033,986
Finance Income		(22,424)	(9,091)	(22,424)	(9,091)
Finance cost on trading	23	203,876	606,302	203,871	607,712
Increase in accrued payables		25,602	223,400	25,602	223,761
Allowance for impairment	21	-	8,761	-	8,761
(Profit)/loss on disposals of property, plant and equipment	11	-	(804)	-	(804)
		1,700,127	2,239,726	1,705,271	2,186,609
Changes in working capital:					
(Increase) in inventory	20	2,791,425	(5,137,848)	2,801,724	(5,161,483)
(Increase) / decrease in debtors	21	(434,869)	101,102	(462,005)	124,101
(Increase)/decrease in prepayment	17	(15,237)	15,442	(28,181)	13,817
Increase in payables	25	4,817,247	2,815,073	4,829,322	2,774,751
		7,158,566	(2,206,231)	7,140,860	(2,248,814)
Cash flows generated from (used in) operating activities					
		8,858,693	33,495	8,846,131	(62,205)
Tax paid	14	-	(203,026)	-	(203,026)
Net cash (used in)/generated from operating activities					
		8,858,693	(169,532)	8,846,131	(265,231)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	15	(210,723)	(1,777,199)	(192,453)	(1,655,551)
Proceeds on disposal of Property, plant and equipment	15	5,613	6,111	5,612	4,791
Purchase of Intangible assets	15	-	(9,680)	-	(9,680)
Investment in JUHI-2	18.2	-	(56,000)	-	(56,000)
Interest received	12	22,424	9,091	22,424	9,091
Net cash used in investing activities					
		(182,686)	(1,827,677)	(164,417)	(1,707,349)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	23	13,193,107	69,475,461	13,193,107	69,475,461
Repayment of borrowings and interest	23	(16,233,181)	(62,454,743)	(16,239,781)	(62,454,743)
Payments for leasehold properties	16	(6,315)	(441,486)	(6,315)	(441,486)
Payments for lease liability	26	-	(65,610)	-	(65,610)
Dividend Paid		-	(130,414)	-	(130,414)
Net cash generated from financing activities					
		(3,046,389)	6,383,208	(3,052,989)	6,383,208
NET CHANGE IN CASH AND CASH EQUIVALENTS					
		5,629,618	4,385,999	5,628,725	4,410,627
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR					
		5,236,519	850,518	5,238,155	827,526
CASH AND CASH EQUIVALENTS AS AT 31 MARCH 2022					
	22	10,866,139	5,236,519	10,866,881	5,238,155

Notes to the consolidated and separate financial statements

		N'000			
		Group		Company	
		2022	2021	2022	2021
6	Revenue				
	Trading	142,631	405,449	142,631	405,449
	Fuel	20,318,255	10,531,258	20,318,255	10,531,258
	Lubricants	3,764,593	2,960,048	3,720,929	3,031,647
	Others	2,597,523	493,223	2,597,523	493,223
		<u>26,823,002</u>	<u>14,389,978</u>	<u>26,779,338</u>	<u>14,461,577</u>
	Others represents revenue from Baseoil and LPFO sales				
7	Expenses by nature				
		Group	Company	Group	Company
		2022	2021	2022	2021
7.1	Cost of sales				
	Material cost	23,636,925	12,121,785	23,636,905	12,286,989
	Delivery cost	885,462	885,462	885,462	885,462
		<u>24,522,387</u>	<u>13,007,247</u>	<u>24,522,367</u>	<u>13,172,451</u>
7.2	Selling and Distribution expenses				
	Marketing and sales commission	32,503	36,207	32,503	36,207
	Sampling and analysis	988	724	988	50
		<u>33,491</u>	<u>36,931</u>	<u>33,491</u>	<u>36,257</u>
7.3	General and Administration expenses				
	Staff costs	304,599	198,075	282,496	181,607
	Pension costs	12,091	9,699	11,023	8,700
	Legal and Professional fees	42,072	17,087	42,072	17,057
	Depreciation	205,288	207,299	187,018	190,114
	Employee Welfare	815	156	815	154
	Training and Staff Development	5,774	7,543	5,668	7,440
	Rent, Travelling & Entertainment	114,833	92,174	114,552	90,540
	Repairs and Maintenance	133,833	76,493	119,300	64,756
	Marketing and Business Development	21,958	41,016	21,908	41,016
	Other expenses	14,667	8,486	10,764	6,868
	Stationery and communication	35,768	25,159	35,519	24,985
	Insurance, medical and security	20,271	40,591	16,849	37,516
	Licence fees	54,221	23,818	53,604	23,125
	Directors remuneration	8,900	16,750	8,900	16,750
	Amortisation on Prepayments	8,564	17,743	8,564	17,743
	Bad Debt written off	-	(1,320)	-	(1,320)
	Auditors' remuneration	15,000	9,650	12,500	7,500
	Bank charges	97,434	97,434	97,434	97,434
	Amortisation of Intangible assets	5,506	5,093	5,506	5,093
	Loss on disposal of property, plant and equipment	1,462	(314)	1,462	(314)
	Allowance for impairment (Note 21)				
		<u>1,103,056</u>	<u>795,197</u>	<u>1,035,953</u>	<u>739,328</u>

Notes to the consolidated and separate financial statements

		N'000			
Expenses by function		Group		Company	
		2022	2021	2022	2021
8	Cost of sales	24,522,387	13,007,247	24,522,367	13,172,451
	Selling and Distribution expenses	33,491	36,931	33,491	36,257
	General and Administration expenses	1,103,056	795,197	1,035,953	739,328
		25,658,934	13,839,375	25,591,811	13,948,036

9 Employees' remuneration and numbers		Group		Company	
		2022	2021	2022	2021
		Number	Number	Number	Number
	Administration	28	28	27	27
	Operations	37	37	30	30
	Sales and marketing	18	17	18	17
		83	82	75	74
	Senior Management	12	12	11	11
	Management	9	9	8	8
	Senior staff	62	61	56	55
		83	82	75	74

The number of employees, other than directors, who earned over N3,000,000 in the year:

		Group		Company	
		2022	2021	2022	2021
		Number	Number	Number	Number
	N3,000,001 - N4,000,000	25	25	22	22
	N4,000,001 - N5,000,000	10	10	6	6
	Above 5,000,000	48	47	47	46
		83	82	75	74

The total employee benefits expense in the year comprise the following:

		Group		Company	
		2022	2021	2022	2021
		N'000	N'000	N'000	N'000
	Salaries and wages	304,599	198,075	282,496	181,607
	Employee welfare	815	156	815	154
	Pension costs	12,091	9,699	11,023	8,700
		317,505	207,930	294,334	190,461

10 Directors' remuneration

		Group		Company	
		2022	2021	2022	2021
	Fees for services as a director	8,900	16,750	8,900	16,750
	Other emoluments as management	26,190	31,164	26,190	31,164
		35,090	47,914	35,090	47,914

The emoluments of the chairman of the board (excluding pension contributions)

		6,000	17,000	6,000	17,000
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The emoluments of the highest paid director

		11,460	13,459	11,460	13,459
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The table below shows the numbers of directors of the company whose remuneration excluding pension contributions fell within the bands stated.

		Number	Number	Number	Number
		2022	2021	2022	2021
	Less than N500,001	-	-	-	-
	N500,001 - N3,000,000	-	-	-	-
	N8,000,001 - N12,000,000	8	6	8	6
	More than N12,000,000	-	2	-	2
		8	8	8	8

Notes to the consolidated and separate financial statements

		N'ooo			
11 Other income	Group		Company		
	2022	2021	2022	2021	
Other income	5,955	104,971	5,915	104,482	
Rent income	34,748	7,514	34,748	7,514	
Depot storage income	0	777	0	776	
	40,703	113,262	40,663	112,772	
	Group		Company		
	2022	2021	2022	2021	
12 Finance income					
Interest income on short-term bank deposits	22,424	-	22,424	0	
	22,424	-	22,424	0	
12.1 Foreign exchange gain/(loss)	-	-	-	-	
	-	-	-	-	
This amount represents the gain/loss resulting from exchange rate differences on foreign currency denominated transactions					
	Group		Company		
	2022	2021	2022	2021	
13 Finance cost					
Interest on bank overdrafts	53,199	-	53,199	0	
Interest on Short term financing	92,125	139,330	92,125	139,321	
Interest on long term financing	70,293	148,694	70,293	148,694	
Effect of Discount on Extended lease contracts	-	1,645	-	1,645	
Accretion charge	0	0	0	0	
	215,616	289,669	215,616	289,660	
This amount represents interest charges on various short term loans, overdrafts and trade finances.					
	Group		Company		
	2022	2021	2022	2021	
14 Taxation					
Current taxes on income for the year	134,115	147,951	133,897	147,951	
Education tax levy for the year	-	24,991	-	24,991	
Tax Credit	-	(167,746)	-	(167,746)	
Deferred tax for the year	-	(398,092)	-	(398,092)	
Tax expense/(credit) on Income statement	134,115	(392,896)	133,897	(392,896)	
Tax on Other Comprehensive Income	-	-	-	-	
Total tax expense/(credit)	134,115	(392,896)	133,897	(392,896)	
The tax credit represents the credit resulted from the change in minimum tax rate by Finance Act 2019 which was unclaimable in 2020					
14.3 Tax Payable	Group		Company		
	2022	2021	2022	2021	
Opening balance	247,017	121,450	246,220	120,653	
Tax paid	-	(203,026)	-	(203,026)	
WHT utilised	-	(45,246)	-	(45,246)	
Income tax charge	134,115	373,839	133,897	373,839	
Closing balance	381,132	247,017	380,117	246,220	
Current	381,132	247,017	380,117	246,220	
Non-current	-	-	-	-	
	381,132	247,017	380,117	246,220	

Corporation tax is calculated at 30 percent of the taxable profit for the year. The charge for taxation on these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 and Finance Act 2021. The Tertiary Education tax of 2.5 per cent is based on the provisions of the Tertiary Education Trust Fund Act 2011 and Finance Act 2021.

**Property, plant and equipment and intangible assets
Group**

	Property Plant and Equipment							Intangible Assets	
	Land and Buildings	Plant and Machinery	Capital Work-In-Progress	Office Equipment	Furniture & Fittings	Motor Vehicles	Total PPE	Computer Software	Total Intangible Assets
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Naira									
Cost									
At 1 January 2021	5,685,879	7,335,374	821,909	295,297	302,896	937,321	15,378,676	143,158	143,158
Additions in the year	151,481	249,665	1,017,190	47,994	19,209	291,660	1,777,199	9,680	9,680
Transfers (Note 16.4)	92,320	74,056	(174,678)	-	8,302	-	-	-	-
Asset Written off (Note 16.3)	-	-	-	-	-	-	-	-	-
Asset Disposed	(153)	(11,789)	-	(3,722)	(1,539)	(127,050)	(144,253)	-	-
At 31 December 2021	5,929,526	7,647,306	1,664,421	339,569	328,868	1,101,931	17,011,621	152,838	152,838
Additions in the year	814,872	30,101	91,277	15,362	13,195	46,225	1,011,032	-	-
Transfers (Note 16.4)	-	-	(835,223)	-	-	-	-	-	-
Asset Disposed	(3,182)	(11,546)	-	(212)	(600)	(10,376)	(25,916)	-	-
At 31 March 2022	6,741,216	7,665,862	920,475	354,719	341,463	1,137,780	17,161,515	152,838	152,838
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2021	(480,735)	(2,718,286)	-	(179,440)	(152,065)	(449,764)	(3,980,290)	(66,914)	(66,914)
Charge for the year	(163,219)	(311,538)	-	(48,145)	(53,308)	(192,775)	(768,984)	(21,473)	(21,473)
Asset Disposed	93	7,688	-	3,328	787	127,050	138,946	-	-
At 31 December 2021	(643,862)	(3,022,136)	-	(224,257)	(204,586)	(515,489)	(4,610,330)	(88,387)	(88,387)
Charge for the year	(47,799)	(79,216)	-	(12,095)	(13,164)	(52,836)	(205,111)	(5,506)	(5,506)
Asset Disposed	1,720	11,546	-	212	600	6,226	20,303	-	-
At 31 March 2022	(689,941)	(3,089,807)	-	(236,140)	(217,150)	(562,100)	(4,795,138)	(93,893)	(93,893)
Net Book Value									
At 31 December 2021	5,285,664	4,625,170	1,664,421	115,312	124,282	586,442	12,401,291	64,451	64,451
At 31 March 2022	6,051,275	4,576,055	920,475	118,579	124,313	575,680	12,366,377	58,945	58,945

16.1. Capital WIP – Assets categorized as Capital Work-In-Progress are the cost of land and building, survey, cost of processing land documentation and various stations upgrades costs.

16.2. Assets pledged as security – The assets pledged as security in relation to loans held by the Company are primarily the storage tank farms held by the Company in Ibru Jetty, Ibafor, Apapa.

16.3. Write off – Following the review of the Company's fixed Asset position at half year, assets which do not meet the capitalisation policy of the company were written off.

16.4. Transfers – These represent the movement of capital work in progress to the appropriate asset classes upon completion.

Note 15 (Continued)	Company							Intangibles	
	Property Plant and Equipment							Computer Software	Total Intangible Assets
	Land and Buildings	Plant and Machinery	Capital Work-In-Progress	Office Equipment	Furniture & Fittings	Motor Vehicles	Total PPE	N'000	N'000
Naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost									
At 1 January 2021	5,492,763	6,668,353	818,602	242,882	267,793	930,321	14,420,714	143,158	143,158
Additions in the year	145,821	158,917	1,018,279	42,868	18,073	271,592	1,655,551	9,680	9,680
Transfers (Note 16.4)	92,320	74,056	(174,678)	-	8,302	-	-	-	-
Asset Written off (Note 16.3)	-	-	-	-	-	-	-	-	-
Asset Disposed	(153)	(6,289)	-	(3,722)	(1,539)	(127,050)	(138,753)	-	-
At 31 December 2021	5,730,750	6,895,037	1,662,203	282,028	292,629	1,074,863	15,937,512	152,838	152,838
Additions in the year	814,872	30,101	89,158	5,817	13,195	46,225	999,368	-	-
Transfers (Note 16.4)			(835,223)	-	-	-	(835,223)	-	-
Asset Disposed	(3,182)	(1,750)	-	(50)	(270)	(10,376)	(15,628)	-	-
At 31 March 2022	6,542,440	6,923,388	916,138	287,795	305,554	1,110,712	16,086,029	152,838	152,838
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2021	(441,587)	(2,437,211)	-	(138,056)	(132,943)	(447,429)	(3,597,226)	(66,914)	(66,914)
Charge for the year	(152,082)	(267,124)	-	(42,138)	(46,816)	(187,696)	(695,856)	(21,473)	(21,473)
Asset Disposed	93	3,477	-	3,359	787	127,050	134,766	-	-
At 31 December 2021	(593,577)	(2,700,858)	-	(176,835)	(178,972)	(508,075)	(4,158,316)	(88,387)	(88,387)
Charge for the year	(44,931)	(68,303)	-	(10,467)	(11,657)	(51,483)	(186,841)	(5,506)	(5,506)
Asset Disposed	1,720	1,750	-	50	270	6,226	10,016	-	-
At 31 March 2022	(636,788)	(2,767,411)	-	(187,252)	(190,359)	(553,332)	(4,335,141)	(93,893)	(93,893)
Net Book Value									
At 31 December 2021	5,137,173	4,194,179	1,662,203	105,193	113,657	566,788	11,779,193	64,451	64,451
At 31 March 2022	5,905,652	4,155,977	916,138	100,543	115,195	557,380	11,750,885	58,945	58,945

15.1. Capital WIP – Assets categorized as Capital Work-In-Progress are the cost of land and building, survey, cost of processing land documentation and various stations upgrades costs.

15.2. Assets pledged as security – The assets pledged as security in relation to loans held by the Company are primarily the storage tank farms held by the Company in Ibru Jetty, Ibafo, Apapa with a Net Book Value of N3.3billion

15.3. Write off – Following the review of the Company's fixed Asset position at half year, assets which do not meet the capitalisation policy of the company were written off.

15.4. Transfers – These represent the movement of capital work in progress to the appropriate asset classes upon completion.

Notes to the consolidated financial statements

				N'000	
16	Right of Use Assets	Group		Company	
		31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
	Opening Balance	2,065,088	2,046,208	2,065,088	2,046,208
	Additional lease		412,065	-	412,065
	Depreciation	(99,896)	(393,185)	(99,896)	(393,185)
		1,965,192	2,065,088	1,965,192	2,065,088
17	Prepayments	Group		Company	
		31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
	Prepaid rent	8,826	7,433	8,826	7,433
	Additions	6,315	29,421	6,315	29,421
	Amortisation	(8,564)	(28,028)	(8,564)	(28,028)
		6,577	8,826	6,577	8,826
	Other short term prepayment	100,971	85,734	113,588	85,407
	Prepayments	6,577	8,826	6,577	8,826
		107,548	94,560	120,165	94,233
18	Investments			Company	
				31 March 2022	31 Dec 2021
18.1	Investment in subsidiaries is made up of:				
	99.98% in Eterna Industries Limited			49,990	49,990
	99.99% in Eterna Marine and Services Limited			1,000	1,000
				50,990	50,990
	These investments are ultimately consolidated at group level.				
18.2	Other Investments	Group		Company	
		31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
	JUHI 2 Project	625,382	625,382	625,382	625,382
		625,382	625,382	625,382	625,382
	JUHI 2 represents the equity contribution on the aviation tank farm development project (Joint User Hydrant Installation II). This is a joint venture arrangement among consortium of downstreams operators with joint control and rights to the net assets of the arrangement. Eterna Plc holds 31% ownership. As at 31st December 2021, the project is still under construction and the joint venture is expected to commence in the year 2022.				
19	Deferred Income Tax	Group		Company	
		31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
	The analysis of deferred tax liabilities is as follows:				
	Deferred tax Liabilities				
	Deferred tax liabilities to be recovered after more than 12 months	951,211	951,211	992,212	992,212
	Deferred tax liabilities to be recovered within 12 months	-	-	-	-
		951,211	951,211	992,212	992,212

Notes to the consolidated financial statements

		Group		Company		N'000
20 Inventories	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021		
Raw materials	1,098,303	1,233,362	1,098,303	1,233,362		
Finished goods	8,008,459	10,687,666	8,008,294	10,687,501		
Consumables	139,369	116,528	111,174	98,632		
	9,246,131	12,037,556	9,217,771	12,019,495		

Inventories is carried at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost of finished goods and work in progress comprises of raw materials, importation logistics cost, direct labour, other direct costs and other production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

	Group		Company		
21 Trade and other receivables	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021	
Trade receivables	3,898,121	3,632,020	3,898,718	3,632,020	
Less: Bad debts written off (note 7.3)	-	(110,682)	-	(110,682)	
Trade receivables – net	3,889,360	3,512,577	3,889,957	3,512,577	
Due to Group Companies (note 32)	-	-	672,589	645,462	
Advances	3,831,058	4,264,031	3,802,072	4,238,129	
WHT receivables	1,180,027	1,122,396	1,180,027	1,122,396	
Bridging claims	814,741	863,806	814,741	863,806	
Foreign exchange Forward contract	1,008,681	512,492	1,008,681	512,492	
Other receivables	1,874,753	2,092,513	1,849,997	2,065,261	
	12,802,684	12,367,815	13,422,128	12,960,123	

	Group		Company		
22 Cash and Cash Equivalents	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021	
Cash and bank	11,941,273	1,689,033	11,937,077	1,684,877	
Short term deposits with Financial institutions	-	4,737,126	-	4,737,126	
	11,941,273	6,426,159	11,937,077	6,422,003	
Bank overdrafts (Note 23)	(1,075,134)	(1,189,640)	(1,070,196)	(1,183,848)	
Cash and Cash equivalents	10,866,139	5,236,519	10,866,881	5,238,155	

Short term investment represents short term bank deposits. For the purpose of the statements of cash flows the cash and cash equivalent balance includes bank overdraft.

Notes to the consolidated financial statements

	N'ooo			
23 Borrowings	Group		Company	
Current	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
Opening balance	19,927,606	11,293,485	19,927,606	11,293,485
Additions	13,193,107	69,475,461	13,193,107	69,475,461
Interest on term loan	5,070	70,293	5,070	70,293
Interest on trading cost	350,032	1,543,111	350,032	1,543,111
Repayment	(16,256,902)	(62,454,743)	(16,256,902)	(62,454,743)
	17,218,913	19,927,606	17,218,913	19,927,606
Bank overdraft	1,075,134	1,189,640	1,070,196	1,183,848
	18,294,047	21,117,246	18,289,110	21,111,455
Current	<u>17,233,673</u>	<u>20,056,872</u>	<u>17,228,736</u>	<u>20,051,081</u>
Non-current	<u>1,060,374</u>	<u>1,060,374</u>	<u>1,060,374</u>	<u>1,060,374</u>

Bank borrowings classified as current are denominated in Naira. This relates to various import finance facilities (IFF) and local purchase facilities (LPF) obtained from various banks at interest rates ranging from 13% to 15% per annum with repayment period ranging from 15 to 270 days. The facilities are secured by lien on the products for resale, the Group's Petroleum Storage Depot. The loan facilities also include project orion long term facility which is above 1 year and classified as long term loan. Project Orion is a syndicated loan from consortium of banks for financing stations expansions with a base interest rate of 15%, the tenor of the loan is 5years was secured with a Security Trust Deed.

	Group		Company	
24 Decommissioning Liability	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
Balance as at 1 January	170,866	131,878	157,020	119,963
Additional obligations incurred		19,949		19,949
Accretion expenses	-	19,039	-	17,108
Balance at 31 December	<u>170,866</u>	<u>170,866</u>	<u>157,020</u>	<u>157,020</u>

	Group		Company	
25 Trade and other payables	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
Trade creditors	14,379,453	9,272,884	14,379,454	9,272,884
Tax related liabilities	60,419	57,686	59,812	56,638
Advance received	525,173	699,706	525,173	699,706
Accrued payables	580,267	554,665	580,267	554,665
Other payables	627,458	744,980	602,943	708,832
	16,172,770	11,329,921	16,147,649	11,292,725

Included in the Advance received are the customer deposits for white products and advance rent received from tenants.

	Group		Company	
26 Lease Liability	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
Right of use Assets	147,664	213,274	147,664	213,274
Payment during the year		(65,610)	-	(65,610)
Additions	-	-	-	-
Effect of Discounted value	-	-	-	-
	147,664	147,664	147,664	147,664

The lease liability represents the future lease payments obligation for the land at Ibafo Depot, Apapa with a tenor of 5 years and it is measured at cost.

Notes to the consolidated financial statements

N'000

		31 Dec 2022	31 Dec 2021
27			
Authorised:			
1,600,000 thousands Ordinary shares of 50k each		800,000	800,000
Issued, allotted and fully paid:			
1,304,145 thousand Ordinary shares of 50k each		652,072	652,072
	Number of shares	Ordinary shares	Share premium
Movements during the year:			Total
At 1 January 2021	1,304,145	652,072	5,796,053
Issue of new shares	-	-	-
At 31 December 2021	1,304,145	652,072	5,796,053

28 Earnings per share

(a) Basic
Basic (loss)/earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
(Loss)/Profit for the year attributable to shareholders (in N'000)	877,464	254,453	901,101	228,924
Weighted average number of ordinary shares in issue (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic (loss)/earnings per share (in N)	0.67	0.20	0.69	0.18

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Group		Company	
	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
(Loss)/Profit for the year attributable to shareholders (in N'000)	877,464	254,453	901,101	228,924
Weighted average number of ordinary shares in issue	1,304,145	1,304,145	1,304,145	1,304,145
Adjustments for :				
- Share options	-		-	
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic (loss)/earnings per share (in N)	0.67	0.20	0.69	0.18

29 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Eterna Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

Notes to the consolidated financial statements

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Eterna Plc
Consolidated Financial Statements For First Quarter Ended 31st March 2022

Consolidated five-year financial summary

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The consolidated five-year financial summary is included for the purposes of the Companies and Allied Matters Act.

	Mar 2022	Dec 2021	Group Dec 2020	Dec 2019	Dec 2018
Financial performance					
Revenue	26,823,002	82,197,987	58,715,576	229,274,785	251,877,933
(Loss)/profit before tax	1,011,579	(936,415)	548,146	111,440	1,989,899
Taxation	(134,115)	(163,717)	392,896	(255,729)	(980,903)
(Loss)/profit for the year	877,464	(1,100,132)	941,042	(144,289)	1,008,996
Actuarial gains or losses	-	-	-	-	(29,363)
Tax effect of actuarial gains and losses	-	-	-	-	8,809
Non - controlling interest	5	4	15	19	26
Total comprehensive income for the year	877,468	(1,100,128)	941,057	(144,270)	988,468
Basic earnings per share (kobo)	0.67	(0.84)	0.72	(0.11)	0.77
Diluted earnings per share (kobo)	0.67	(0.84)	0.72	(0.11)	0.77
Financial position					
Share capital	652,072	652,072	652,072	652,072	652,072
Share premium	5,796,053	5,796,053	5,796,053	5,796,053	5,796,053
Non -controlling interest	38	42	46	61	80
Retained Earnings	6,547,676	5,670,208	6,900,750	5,959,693	6,430,000
Total equity	12,995,839	12,118,375	13,348,921	12,407,879	12,878,205
Property, plant and equipment	12,425,322	12,465,742	11,398,386	9,771,625	8,338,502
Other non-current assets	2,590,574	2,690,470	2,691,834	2,699,825	1,605,222
Net current (liabilities)/assets	310,061	(707,719)	1,213,924	1,952,059	6,375,455
Non-current liabilities	(2,330,115)	(2,330,115)	(1,955,223)	(2,015,630)	(3,440,974)
Net assets	12,995,842	12,118,378	13,348,921	12,407,879	12,878,205
Net assets per share (Naira)	9.97	9.29	10.24	9.51	9.87

Earnings per share is based on the profit attributable to shareholders computed on the basis of the weighted average number of issued ordinary shares as at the end of each financial years.

Net assets per share is based on the net assets as the number of issued ordinary shares as at the end of each financial years.