



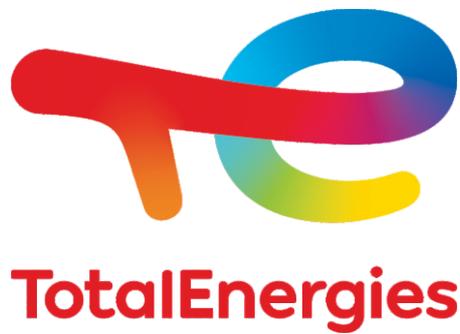
TotalEnergies Marketing Nigeria PLC 2022 Annual Report



TotalEnergies



TotalEnergies



**TOTALENERGIES MARKETING NIGERIA PLC
AUDITED FINANCIAL STATEMENTS
DECEMBER 2022**

TABLE OF CONTENTS

Corporate Profile	2
Mission Statement	3
Directors, Officers and Professional Advisers	4
Corporate Directory	5
Results at a Glance	6
Notice of Annual General Meeting	7
Chairman's Statement	9
Board of Directors Profile	12
Report of the Directors	15
Statement of Corporate Responsibility	21
Corporate Governance Report	22
Statement of Directors Responsibilities	30
Report of the Statutory Audit Committee	31
Report of the Independent Auditors	32
Statement of Financial Position	36
Statement of Profit or Loss and other Comprehensive Income	37
Statement of Changes in Equity	38
Statement of Cash Flows	39
Notes to the Financial Statements	40
Other National Disclosures	82
Statement of Value Added	83
Five Year Financial Summary	84
Share Capital History	85
List of Major Distributors	86
Proxy Form	90

CORPORATE PROFILE

TotalEnergies Marketing Nigeria Plc was incorporated in 1956 and was listed on the Nigerian Exchange Limited in 1979. Our first petrol station was commissioned at Herbert Macaulay Street, Yaba, Lagos in 1956. Today we have over 540 service stations, 2 lubricants blending plants, 2 petroleum product depots, 1 bitumen depot, holdings in 5 aviation depots and have other facilities spread across the country. We are the only International Oil Company (IOC) actively present in the downstream sector. We are the market leader, reference point and pacesetter in the downstream sector of the Nigerian oil and gas industry.

TotalEnergies S.E. which holds 62% of TotalEnergies Marketing Nigeria Plc is a publicly-traded oil company that produces and markets fuels, natural gas and electricity. Active in more than 130 countries with over 100,000 employees, TotalEnergies SE wants to be part of the solution to climate change with a commitment to delivering reliable, affordable and clean energy to the population as many people as possible. TotalEnergies, the company of responsible energies, aims to be one of the major players in the energy transition to get to Net Zero by 2050, together with society.

TOTALENERGIES MARKETING NIGERIA PLC

RC 1396

MISSION STATEMENT

We are in business to ensure total customer satisfaction is guaranteed by the creation of quality products and services delivered with a strong commitment to safety and respect for the environment.

This objective drives all our corporate actions and the mutual acknowledgement of same by our partners forms the basis for our business relationships.

To sustain this objective and our leadership of the market, our commitment is to build and sustain a work culture firmly rooted in professionalism, respect for employees, internal efficiency and dedicated services.



Dr. Samba Seye
Managing Director



TotalEnergies

TOTALENERGIES MARKETING NIGERIA PLC

COMPANY REGISTRATION NO. 1396

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr. Jean-Phillipe Torres	-	Chairman	(French)
Dr. Samba Seye	-	Managing Director	(Senegalese)
Mrs. Lesley Baxter-Green	-	Executive Director	(British)
Ms. Tejiro Ibru	-	Non Executive Director	
Engr. Ahmed Rufai Sirajo	-	Non Executive Director	
Prince (Dr.) Jeff Nnamani	-	Non Executive Director	
Mrs. Lucile Badaire	-	Non Executive Director	(French)
Mr. Noubi Ben Hamida	-	Non Executive Director	(French)

COMPANY SECRETARY

Mrs. Olubunmi Popoola-Mordi

REGISTERED OFFICE

TotalEnergies House
4 Churchgate Street,
Victoria Island,
Lagos.
Telephone No. 01 4617041-2

REGISTRAR

CardinalStone Registrars Limited
335-337 Herbert Macaulay Way,
Yaba, Lagos.
Telephone No. 01 712 0090

AUDITOR

Pricewaterhousecoopers Chartered Accountants
Landmark Towers,
5B Water Corporation Road,
Victoria Island, Lagos.
Nigeria
Telephone No. +234 12711700

BANKERS

Access Bank Plc
Citibank Nigeria Limited
Ecobank Nigeria Limited.
First Bank of Nigeria Ltd.
Guaranty Trust Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
United Bank for Africa Plc
Wema Bank Plc
Zenith Bank Plc

CORPORATE DIRECTORY

HEAD-OFFICE

TOTALENERGIES HOUSE

4, Churchgate Street,
Victoria Island, Lagos.
P.M.B 2143, Lagos
Tel: 01 4631681-4
01 4617041 – 2
TOTAL CARD: 01- 4617044

SALES AREA OFFICES

ABUJA

Total House
Plot 247, Herbert Macaulay Way.
Central Business District, Abuja
Tel: 01- 4618914

KANO

181, Airport Road,
P.O.Box 21, Kano.
Tel: 01- 4619183

BENIN

8/10, Akpakpava Street
P.O.Box 20, Benin City.
Tel: 01- 4619189

LAGOS SOUTH

6, Bonny Road, Apapa, Lagos
Tel: 01- 4618913

IBADAN

Mokola Roundabout
P.O. Box 868, Ibadan
Tel: 01- 4619188

LAGOS NORTH

3, Steve Ajose Street
Former SCOA Yard,
Behind Elida Hotel,
Kirikiri, Lagos
Tel: 01- 4619182

PORT HARCOURT

NO. 59 Trans Amadi Industrial
Layout
Port Harcourt.
Tel: 01- 4619180

AIR TOTALENERGIES

IKEJA
JUHI
ABUJA Tel: 08113624144

TOTALENERGIES MARKETING NIGERIA PLC

RESULTS AT A GLANCE FOR THE YEAR ENDED

	31 December 2022	31 December 2021	Change
	₦'000	₦'000	%
Revenue	482,470,780	341,316,345	41
Profit before income taxation	24,532,280	24,835,555	(1)
Profit for the year	16,118,376	16,862,130	(4)
Total comprehensive income for the year	16,112,008	16,863,720	(4)
Share capital	169,761	169,761	-
Shareholders' funds	50,286,810	41,619,305	21
Total dividend	8,488,046	7,537,384	
Interim dividend - declared	1,358,087	1,358,087	
Final dividend - proposed	7,129,959	6,179,297	
Dividend declared	6,179,297	2,063,385	

	31 December 2022	31 December 2021	Change
			%
PER SHARE DATA:			
Based on 339,521,837 ordinary shares of 50 kobo each:			
Earnings per 50 kobo share (Naira) - basic	47.47	49.66	(4)
Dividend per 50 kobo share (Naira) ¹	25.00	22.20	13
Dividend cover (times)	1.90	2.24	(15)
Stock exchange quotation (Naira)	193.00	221.90	(13)

Number of staff	429	436	(2)
-----------------	-----	-----	-----

¹Interim dividend of ₦4.00 per share was paid during the year. At the board of directors meeting of 30 March, 2023, a final dividend of ₦21.00 was proposed for the year ended 31st December, 2022 (2021: ₦18.20)

TOTALENERGIES MARKETING NIGERIA PLC

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of TOTALENERGIES MARKETING NIGERIA PLC will hold at The Grand Banquet Hall, The Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos on Thursday, the 1st day of June, 2023 at 11.00 a.m. to transact the following:

ORDINARY BUSINESS:

1. To lay before Members for approval, the Financial Statements for the year ended 31st December, 2022 and receive the Reports of the Directors, Auditors and Statutory Audit Committee thereon;
2. To declare a final dividend;
3. To re-elect Directors;
4. To appoint Directors;
5. To disclose the remuneration of Managers of the Company;
6. To authorize the Directors to fix the remuneration of the External Auditors; and
7. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS:

- 1 To fix the remuneration of the Directors; and
2. To renew general mandate for Related Party Transactions.

BY ORDER OF THE BOARD



OLUBUNMI POPOOLA-MORDI
Company Secretary
FRC/2013/ICSAN/00000002042

30th March, 2023

Registered Office
TOTALENERGIES HOUSE
4 Churchgate Street,
Victoria Island,
Lagos,
Nigeria.

NOTES:

I. PROXY

A member of the Company entitled to attend and vote at the meeting who is unable to attend the meeting and wishes to be represented at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A Proxy Form is enclosed herewith, and if it is to be valid for the purpose of the meeting, it must be completed and duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrars, CardinalStone Registrars Limited, 335-337 Herbert Macaulay Way, Yaba, Lagos not less than 48 hours before the time of the meeting.

II. PAYMENT OF DIVIDEND

If the payment of a dividend is approved and declared by members at the Annual General Meeting, the dividend warrants will be posted or the accounts of shareholders whose names are registered in the Company's Register of Members as at close of business on Tuesday 25th April, 2023 will be credited on Friday 2nd June, 2023.

III. CLOSURE OF REGISTER AND TRANSFER BOOKS

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Wednesday the 26th day of April, 2023 to Friday the 28th day of April, 2023 both days inclusive for the purpose of preparing an up-to date Register of Members.

IV. BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the Directors standing for re-election and appointment are provided in the 2022 annual report and posted on the Company's website www.services.totalenergies.ng

V. NOMINATION OF MEMBERS OF THE STATUTORY AUDIT COMMITTEE

Pursuant to Section 404 (6) of the Companies and Allied Matters Act (CAMA) 2020 any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Nominations should please be accompanied by a copy of the nominee's curriculum vitae.

VI. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before the 16th day of May, 2023.

VII. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Several dividend warrants and share certificates remain unclaimed, and are yet to be presented for payment or returned to the Registrars for revalidation. We implore any shareholder affected by this to please write to the Company Secretary or Registrars or call at either office during working hours. We have also published a list in the newspapers and on our website.

VIII. e-DIVIDEND

In accordance with the Securities and Exchange directives, Shareholders are hereby advised to open bank accounts, stockbroking and CSCS accounts for the purpose of timely receipt of dividend payments. A detachable application form for e-dividend is attached to this Annual Report to enable all shareholders furnish particulars of their bank accounts/CSCS details to the Registrar or Company Secretary expeditiously.

IX. e-REPORT

To improve delivery of our Annual Reports, we have inserted a detachable form to this Annual Report and are requesting shareholders who wish to receive the Annual Report in an electronic format to complete and return the form to the Registrars or Company Secretary for further processing.

X. SEC RULE ON COMPLAINTS MANAGEMENT FRAMEWORK

Please note that in accordance with the Securities and Exchange Commission rule No. 10 (a) shareholders who have complaints should use the electronic complaints register on the website of the company at www.services.totalenergies.ng to register their complaints. This will enable the company handle complaints from shareholders' in a timely, effective, fair and consistent manner.

BY ORDER OF THE BOARD



OLUBUNMI POPOOLA-MORDI, FCIS

Company Secretary

FRC/2013/ICSAN/00000002042

Dated this 30th Day of March, 2023

The electronic version of the Annual Report and Accounts 2022 is available on the Company's website www.services.totalenergies.ng

CHAIRMAN'S STATEMENT

INTRODUCTION

Good morning distinguished shareholders, members of the Board of Directors of TotalEnergies Marketing Nigeria Plc, esteemed customers, gentlemen of the press, invited guests, ladies and gentlemen. It is with great pleasure that I, on behalf of the Board of Directors of TotalEnergies Marketing Nigeria Plc (TEMNPLC), welcome you to the 45th Annual General Meeting of your Company. During the course of this meeting, I shall present to you the Directors' Report and Financial Statements for the year ended 31st December, 2022.

THE BOARD

Since our last Annual General Meeting, there have been some changes to the composition of the Board. Mrs. Olubunmi Popoola-Mordi was appointed as a Director of the Company with effect from the 1st of April, 2023. At this meeting we shall be asking you to ratify her appointment. Please join me in wishing Mrs. Popoola-Mordi a very successful tenure on the Board.

OUR ENVIRONMENT AND YOUR COMPANY'S PERFORMANCE

In 2022, the environment was replete with incidents of insecurity:- gunmen attacked the Kaduna airport; an Abuja-Kaduna train was attacked in Katari, Kaduna State leaving some passengers dead; an explosive device suspected to be a bomb was detonated at the Okehi Local Government Secretariat, Kogi State resulting in multiple fatalities; gunmen attacked a Catholic Church in Owo, Ondo State killing many worshippers and leaving several others injured; several worshippers were killed in a mosque in Zamfara State; continued tensions in the South East over the activities of the Indigenous People of Biafra (IPOB); insurgency and banditry across the nation etc. Your Company was not spared as some of our service stations were burgled. Insecurity remains a huge challenge in the country.

The country experienced an outbreak of Lassa fever, with the National Centre for Disease Control and Prevention reporting no less than 189 deaths out of 1,067 confirmed cases in 112 Local Government Areas in 27 states of the Federation. There were also sporadic cases of monkey pox. In the third and fourth quarters of the year the impact of severe floods was greatly felt across the country. The flood was attributed to the overflow of some rivers (including rivers Niger and Benue). It resulted in the death of over 600 persons, loss of property, destruction of over 637,000 hectares of farmland, 1.3 million+ persons were displaced from their homes and 27 out of 36 states and the Federal Capital Territory were affected. Your Company made donations to the Red Cross in support of flood relief initiatives and provision of disaster relief materials.

The Central Bank of Nigeria (CBN) announced a Naira redesign policy to produce new notes for 3 of the Naira denominations in circulation: ₦200, ₦500 and ₦1,000 notes. According to the CBN the policy was meant to monitor money supply and contain inflation (by removing excess cash from the financial system because at least 85% of currency in circulation is reportedly held outside the banking system). The CBN Governor also stated that the measure was expected to help tackle kidnapping and ransom-taking.

The negative effect of inflation has been far-reaching, as we saw prices rise exponentially across food, goods and services. Inflation surged dramatically month on month. By December, inflation had risen to 21.34% year-on-year and the Consumer Price Index (CPI) had increased to 18.85% year on year. The Naira continued on a downward spiral. In the official market the Naira opened the year at ₦416 per dollar in January 2022 at the Investors and Exporters (I & E) Window foreign exchange market, and closed the year at ₦461.50 per dollar, translating to about 11% year on year depreciation. Demand continued to outstrip supply with the CBN unable to meet demand. The exchange rate on the parallel market maintained an upward trajectory with the Naira falling to as low as ₦850/\$1. Paucity of foreign exchange even led to some international airlines exiting the Nigerian Aviation industry.

The Russia Ukraine war which began in February 2022 had far reaching implications well beyond security, the borders of the 2 countries and several continents. Nigeria was not exempted from the impact of the war as there were significant increases in wheat and energy prices in the country. The price of bread and some other wheat-related products increased by as much as 100%. Coupled with supply chain challenges AGO opened the year at ₦350 per litre and closed at ₦850. On the local aviation market we saw air fares double in response to inflation and rising costs of aviation fuel.

Globally we saw the price of crude oil rise; however Nigeria was not able to benefit from this as it could not meet its Organisation of Petroleum Exporting Countries (OPEC) allocation due to massive crude oil theft and pipeline vandalism resulting in a huge drop in crude oil production (as low as 972,000 bpd) for most part of 2022.

Following the passage of the Petroleum Industry Act 2021, Nigeria's energy sector was expected to gain positive momentum in 2022. However, this is yet to occur. The 4 Nigerian National Petroleum Company (NNPC) refineries which have a combined capacity of 445 kb/have remained largely unutilized therefore, the country remains heavily dependent on imports. TotalEnergies like other marketers did not import PMS in 2022. NNPC maintained the role of sole importer of PMS and we and other marketers purchased PMS and AGO from NNPC. AGO & Jet A1 remain fully deregulated, access to foreign exchange by marketers continued to be a challenge inhibiting imports thereby necessitating periodic intervention by the NNPC.

The Direct Sale Direct Purchase (DSDPA) crude payback was due mid-2022 but there were apparently challenges in settling the backlog. This, combined with the inability of marketers to access foreign exchange at the official rate used in the Petroleum Products Pricing Regulatory Agency (PPPRA) template, contributed to pockets of fuel scarcity which peaked in the fourth quarter. Based on government directives, PMS price was segmented per region across the country. PMS pump price moved from ₦165 per litre to ₦195 by the end of the year with some marketers selling as high as ₦300. As usual TotalEnergies remained within the government approved template.

KEY DEVELOPMENTS

For your Company, Safety remains our core value and a top priority! It is the strategic lever for improving overall performance and the cornerstone of our operational excellence in all our business lines. Our Total Rate of Incident Recorded stands at Zero, with no accident within and outside our perimeter. We ran several campaigns focussed on improving safety at work and on our sites including risk assessments for projects and maintenance activities in service stations, Safety Stand Down campaign for signage contractors, digitalization of zero fatality checks, ensured 100% implementation of system scaffold use by all contractors working at height etc. We also conducted Technical & HSE Audits of various sites.

We maintained the lead in the network as our products and services evolved beyond access to energy solutions as we are now an outlet for a broad range of other products and services. We continue to grow stronger in the non-fuel business by turning our service stations into social hubs that attract more customers for services and goods beyond our energy products. The introduction of the Touch Point product at our stations offers customers the chance to withdraw, deposit or pay for bills at our stations. The mobile money offer is available at over 380 of our stations and supports the government's cashless policy drive. In the year, we took strong strides by opening additional 5 stations, 8 quick service restaurants and 7 AutoFast outlets making our stations well-equipped centres for vehicle servicing and maintenance. 362 stations were rebranded with the TE norm, the rebranding of all our stations will be concluded in 2023. TEMNPLC closed the year with 540 stations.

Your Company has continued to grow its market share in lubricants rising to 15%. Because of the global upward price of lubricant input materials and the devaluation of the Naira, lubricant prices were adjusted in 2022. TEMNPLC also concluded installation of its end of line automated machines which would support to increase production output of small pack lubricants (1-5 Liters) by about 30%.

Our commitment to renewable energy is unwavering; by the end of the year your Company had a combined installed Solar capacity of 6.5MW. We commenced a 5MW solar hybrid system in Kano and 3 solar hybrid systems (71Kw) were installed across the country. By the end of the year, 362 service stations had been solarized and over 750,000 solar lamps sold.

AWARDS

I am delighted to inform you that your Company won multiple awards: In recognition of its outstanding governance practices and performance we won the PEARL of Nigerian capital market award and best Company for Corporate Governance; we were awarded the best company in stakeholder engagement by CSR reporters and won a prize for Community and Human Resources (CAHR) and Environmental Impact Management. 3 of our Stations emerged as winners in the Annual Golden team Challenge organized by TotalEnergies Marketing and Services worldwide. The stations were assessed on customer service, station house keeping etc. The 3 station Dealers were hosted in Paris in June 2022.

COMPANY PERFORMANCE

Distinguished shareholders, it was indeed a challenging year locally and internationally yet your Company increased her turnover by 41% from ₦341 Billion in 2021 to ₦482 Billion in 2022. However, due to rising costs Profit after tax decreased by 4% from ₦16.8 Billion to ₦16.1 Billion. In the face of the aforementioned and other difficulties it is a laudable achievement. I send heartfelt gratitude to our Customers

for their trust in our products and services through their patronage, you our Shareholders for your allegiance, the Board for her steer, Management and Staff for dedication and execution.

DIVIDENDS

The Company had earlier distributed the sum of ₦1.36 Billion as interim dividends, representing ₦4.00 (Four Naira only) per share for the year ended 31st December, 2022. The Board proposes for approval by shareholders the sum of ₦7.13 Billion representing another ₦21.00 (Twenty-one Naira only) to be distributed as final dividend for the year 2022 subject to the deduction of appropriate withholding taxes at the time of payment. In line with our corporate reputation for early disbursement of shareholders' dividends, we are delighted to confirm to you that if approved at this meeting, your dividends will be paid on the 2nd of June, 2023.

OUR PEOPLE

Our people form a major component of our ambition to become the responsible energy major and a world class player in the energy transition. As we create shared value, the well-being of our people is very much front burner and we are committed to up skilling our people and building a good place to work. Development and empowerment of our people is key. We are a responsible employer that is attentive to the needs of its staff. I am confident that our structure and people will enable us continue to deliver shareholder value.

On behalf of my colleagues on the Board of our great company and you the shareholders, I hereby express our appreciation to the management and staff of the Company for their dedication, collaboration, unwavering loyalty and commitment to the Company.

AHEAD

According to the International Monetary Fund (IMF), the global economy is poised to slow in 2023 before rebounding. Growth will remain weak by historical standards, as the fight against inflation and Russia's war in Ukraine weigh on economic activities. However, IMF has upgraded Nigeria's economic growth projection to 3.2% in 2023 (0.1% higher than the 3.0% earlier projected in its October 2022 report) due to what it considers as measures put in place to address insecurity issues in the oil sector.

We will focus on building a robust portfolio of renewable energy assets by capitalizing on our presence in Nigeria to develop and serve this market, supplying people with the energy they require while meeting the challenges of climate change, fostering sustainability, ensuring safety, and focussing on customer centricity.

CONCLUSION

Distinguished Shareholders, may I use this opportunity to reiterate your Company's ambition to become the responsible energy major and a world class player in sustainable energy. This is where we will continue to focus our efforts.

Distinguished Shareholders, I thank you for your unalloyed support and the cooperation given to the Board and Management. Our gratitude also goes out to our customers, partners, transporters and suppliers. We thank you for your patronage, cooperation and contributions to achieving the results for the year.

Finally, I thank you all for your presence at this Annual General Meeting, and I look forward to your participation in this meeting.

Thank you.



Mr. JEAN-PHILLIPE TORRES

Chairman

30th March, 2023

BOARD OF DIRECTORS PROFILE



MR. JEAN-PHILIPPE TORRES: Mr. Torres is a finance graduate of the University of Lille. He obtained a Masters in finance from the Ecole Supérieure de Commerce de Tours in France and a Master of Science in Management from the IÉSEG School of Management, Lille. He started his working career as an Analyst in the French Ministry for Economy and Finance. He joined the TotalEnergies in 1992 as a Financial Controller in the Combustible Fuels Division of Elf Antar France. In 1993 he moved to Elf Raffinage Distribution as Treasurer in charge of the African affiliates. In 1995 he was the Sales and Marketing Manager for Elf Oil Zaire and went on to hold a similar position in Senegal in 1997.

Thereafter in 1999 he was appointed General Manager of TotalFinaElf Gambia. In 2001, he was appointed Managing Director of TotalEnergies Togo and Total Benin and in 2004, Managing Director of Fina Congo. In 2007 he was appointed Strategy and M&A Senior Project Manager, Strategy & Development Division, TotalEnergies Marketing, Paris. In 2011 he was appointed General Manager Retail and Fuel Cards of TotalEnergies Germany. In 2014 Mr. Torres became the Executive Vice-President North & Central America of TotalEnergies Marketing & Services, Americas Division. He was appointed Managing Director of TotalEnergies Marketing Nigeria Plc in 2016, Vice President East & Central Africa TotalEnergies Marketing & Services in 2018, Executive Vice President Mediterranean & Indian Ocean TotalEnergies Marketing & Services in 2021 and in 2021 he was appointed Senior Vice President Africa Middle/East and a director of TotalEnergies Marketing Nigeria Plc. on the 25th of November, 2021. He is the Chairman of the Board.



DR. SAMBA SEYE: Dr. Seye holds a Doctorate Degree in fluid mechanics from the University of Sciences and Techniques of Lille, France, where he worked as an assistant lecturer from 1990 until 1993 when he joined Shell, working in various capacities before joining Total Marketing and Services in 2014 as a Project Manager in the Strategy Department. In 2015, he was appointed Deputy Executive Vice President, West Africa, a position he held until his appointment as Vice President Specialties/General Trade Total MS /Africa, in 2016. Thereafter, he was appointed Executive Vice President West Africa, Total MS /Africa, in 2017. He has been a member of the TotalEnergies SE Ethics Committee since 2019. Dr. Seye was appointed to the Board in July 2021 and Managing Director of TotalEnergies Marketing Nigeria Plc. on the 1st of September, 2021.



MRS. LESLEY BAXTER-GREEN: Mrs. Lesley Baxter-Green is an MBA (with Distinction) graduate of Manchester Business School, UK and holds a bachelor's degree (with Honours) from The Robert Gordon University, UK, she is additionally a Fellow of the Association of Chartered Certified Accountants (FCCA). She started her career with TotalEnergies in 1998 as Management Accountant for Total Gas & Power Ltd, UK where she ultimately held the position of Director Central Services. She moved to TotalEnergies Gaz SA, France in 2009 as Secretary General (Intérim). In the same year, she became Senior Economist at TotalEnergies SA, France until 2010 when she was appointed Chief Financial Officer, Total Coal South Africa (Pty) Ltd. In 2014, she was appointed as the Vice President Finance & Control, TotalEnergies (China) Investment Co Ltd in Beijing, China. In 2017, she joined the audit team in Paris as an Internal Auditor until her current assignment in TotalEnergies Marketing Nigeria PLC as Executive Director (Secretary General).

Mrs. Baxter-Green was appointed as an Executive Director of TotalEnergies Marketing Nigeria Plc. on the 16th of August, 2019.

BOARD OF DIRECTORS PROFILE

MS. TEJIRO IBRU: Ms. Tejiro Ibru obtained a Masters in Engineering and a Master of Finance from Imperial College, London and started her career with Deloitte & Touche Petroleum Services Group, London. In 2005, she joined Oceanic Bank International Plc as Head of the International Banking Group and later as Head of the Project Management Office. In 2010, she was appointed the Head of Corporate Services of Destiny Dredgers International Limited and in 2014 she joined Dorman Long Engineering Limited as Head of the Programme Management Office. From 2015 to 2017, she worked at Midwestern Oil and Gas Company Limited as a Corporate Finance Analyst. She is an Associate of the Royal School of Mines, Imperial College. She was appointed to the Board to the Board as a Non-Executive Director on the 27th of October, 2011.



ENGR. RUFA'I SIRAJO: Engr. Rufa'i Sirajo obtained a National Diploma in Electrical/Electronic Engineering from the Federal Polytechnic Mubi, Adamawa State, a Higher National Diploma in Electronics/Telecommunications Engineering from Kaduna Polytechnic, Kaduna State, a Post Graduate Diploma in Electrical Engineering from Bayero University, Kano and an MBA degree from the University of Calabar. He commenced his working career in 1986 as Engineering Superintendent (Electrical) at Geotechnical Services Limited from where he moved on to Northern Cables Processing and Manufacturing Company Limited as Quality Control Supervisor. He is currently the Managing Director/Chief Executive Officer of Afri-International Projects Consulting Limited. He is registered with The Council for the Regulation of Engineering in Nigeria (COREN); he is a Member of the Society of Engineers (MNSE) and is also a Member of the Solar Energy Association of Nigeria. He was appointed to the Board as a Non-Executive Director on the 28th of March, 2012.



PRINCE (DR.) JEFFERSON NNAMANI: Prince Jefferson Nnamani is a graduate of Political Science and Administration with a Masters of Public Administration (MPA) from the University of Maiduguri, Borno State, Nigeria. In his over 29 years career with Total Nigeria Plc, he served the Company in various capacities starting as a Sales Representative in Borno State, Industrial Sales Executive in Lagos, Senior Network Inspector, Lagos Region, Sales Executive, Eastern Region, Regional Manager North Central, Regional Manager, Lagos and Western Region, Territorial Sales Manager, West, General Manager, Sales and in 2011 he was appointed General Manager Strategy, a position he held until his appointment in 2015 as Executive Director, Strategy. He retired in December 2017. Jeff has also served on the Board of Nikon Insurance Corporation and the Governing Council, Yaba College of Technology. Jeff is a fellow of the Institute of



BOARD OF DIRECTORS PROFILE



MRS. LUCILE BADAIRE: Mrs. Badaire is a graduate of Ecole Normale Supérieure de Paris and is an Engineer of the Corps des Mines. She began her professional career in 2003 and held various positions in French ministries and public administration covering Digital, Market Regulation and Public Policies Reforms. From 2010 to 2012, she was appointed Advisor to the Minister of Industry. Mrs Badaire joined TotalEnergies in 2012 as Field Development Manager, on African projects for TotalEnergies EP, based in Paris. In 2014, she was promoted to the position of New Business & Planning Director, based in Abu Dhabi. In 2017 she became Supply, Pricing & Hedging Director (Marketing & Services) based in Paris and in 2020 was appointed Supply & Logistics Director for the Africa division (Marketing & Services). Mrs. Lucile Badaire was appointed Non Executive Director on the 13th day of May 2020.



MR. NOUBI BEN HAMIDA: Mr. Ben Hamida began his professional career in 1994 at Societe Generale working in Paris and Italy in various positions in Trade Finance. He joined TotalEnergies in 2001 in Switzerland as Head of Credit Management for the Trading and Shipping Division, was appointed Downstream Corporate and Project Finance Manager in 2005 (during which time he served on the Board of Directors of listed subsidiaries in Ivory Coast, Nigeria, and Kenya). In 2010 he was appointed Group Head of FX/Money Market finance division France, Vice President Business Development and Assets Operated by Others TotalEnergies Exploration & Production - Doha, Qatar in 2015 and Chief Financial Officer Saudi Aramco TotalEnergies Refining and Petrochemicals Co. Jubail, Saudi Arabia in 2018. In 2021 he was promoted to Vice President Corporate & Project Finance Downstream TotalEnergies in Paris. Mr. Ben Hamida is an engineering graduate of Centrale Supélec France. Mr. Ben Hamida was appointed a Non Executive Director on the 28th day of October, 2021.



*Profile Of Director Appointed since the last Annual General Meeting

MRS. BUNMI POPOOLA-MORDI: Mrs Bunmi Popoola-Mordi is a law graduate, member of the Nigerian Bar Association, Fellow of the Institute of Chartered Secretaries and Administrators holds several post graduate degrees in law and an MBA. Her career spans over legal practice, banking, human resources management, industrial relations, communication, corporate governance, public relations amongst others. She joined TotalEnergies Marketing Nigeria Plc in 2011 as Legal Affairs Manager / Company Secretary, was promoted General Manager Human Resources & Corporate Services in 2015 and appointed Executive General Manager Total Country Services in 2019. Mrs Popoola-Mordi was appointed Executive Director effective 1st April, 2023.

REPORT OF THE DIRECTORS

In accordance with the provisions of the Companies and Allied Matters Act ((CAMA) 2020 the Directors present their Annual Report together with the Company's Audited Financial Statements for the year ended 31st December, 2022 which discloses the state of affairs of the Company.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are marketing and distribution of refined petroleum products.

2. LEGAL FORM

The Company was incorporated as a private limited liability company in 1956 and was converted to a public limited liability company in 1978. Its shares are currently quoted on the Nigerian Exchange Limited. Under a scheme of arrangement concluded and sanctioned by the Federal High Court of Nigeria on the 11th of September 2001, the Company merged with Elf Oil Nigeria Limited and changed its name to TotalFinaElf Nigeria Plc. To mark the completion of its corporate mergers, TotalFinaElf Group worldwide reverted to its former name TOTAL in 2003. Accordingly, the Company changed its name from TotalFinaElf Nigeria Plc to TOTAL Nigeria Plc in the same year. 61.72% of the Company's ordinary shares were held by Total Societe Anonyme and Elf Aquitaine S.A. until 2013 when a restructuring was concluded and Total Raffinage Marketing became the shareholder of 61.72% of Total Nigeria Plc while the remaining 38.28% are held by some members of the Nigerian public. At an extraordinary general meeting in 2013, Total Raffinage Marketing resolved to change its corporate name to Total Marketing Services. In May 2021 the Company in line with its ambition to be a broad based energy company changed its name to TotalEnergies Marketing SE. In August 2021 Total Nigeria changed its name to TotalEnergies Marketing Nigeria Plc. The shareholding structure remains the same.

3. OPERATING RESULTS

The following is a summary of the Company's operating results:

	2022	2021
	N'000	N'000
Revenue	482,470,780	341,346,345
Profit before taxation	24,532,280	24,835,555
Profit for the year	16,118,376	16,862,130
Dividend	8,448,046	6,179,297

4. DIVIDEND

The Board of Directors pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA) 2020 hereby recommend to members the payment of a final dividend of ₦21.00 (2021: ₦18.20) per ordinary share of 50 kobo each. The dividend is subject to deduction of withholding tax at the rate applicable at the time of payment. This will be presented to shareholders for approval at the Annual General Meeting.

5. DIRECTORS

The directors who served during the year and to the date of this report are:

Name of Director	
Mr. J-P. Torres	Chairman (French)
Dr. S. Seye	Managing Director (Senegalese)
Mrs. L. Baxter-Green	Executive Director (British)
Ms. T.Ibru	
Engr. A.R. Sirajo	
Dr. J.E Nnamani	
Ms. L. Badaire	(French)
Mr. N. Ben Hamida	(French)
Mrs. Olubunmi Popoola-Mordi	Appointed effective 1 st April, 2023

The names of the current Directors are listed on page 4. Their thumbnail pictures and brief profiles are also indicated on pages 12 to 14.

6. DIRECTORS TO RETIRE BY ROTATION

In accordance with Section 285 (1) and (2) of the Companies and Allied Matters Act, ((CAMA) 2020, the Directors to retire by rotation at this Annual General Meeting are Dr. J. Nnamani, Mrs. L. Baxter-Green and Mr. N. Ben Hamida who, being eligible, offer themselves for re-election. Pursuant to Section 285 (1) of the Companies and Allied Matters Act, ((CAMA) 2020, a resolution will be proposed at the Annual General Meeting for their re-election as Directors.

7. DIRECTORS INTEREST IN SHARE CAPITAL

The interests of each Director in the issued share capital of the company as recorded in the register of Directors' shareholding, as notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act, (CAMA), 2020, and in compliance with the listing requirements of the Nigerian Exchange Limited and the 2011 Securities and Exchange Commission Corporate Governance Code 31st December, 2022 were as follows:

Directors	31 st December 2022 No. Of shares (Direct)	31 st December 2022 No. of shares (Indirect)	31 st December 2021 No. of shares (Direct)	31 st December 2021 No. of shares (Indirect)
Ms. T. Ibru	902,903	43,135	902,903	43,135
Dr. J.E Nnamani	100	-	100	-

Ms. Ibru is a shareholder (0.5%) of Mas Makay Limited which owns shares in TEMNPLC

8. DIRECTORS INTEREST IN CONTRACTS

A Director notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act (CAMA), 2020 of any declarable interest in any contracts involving the Company. This was dealt with in accordance with exant laws and corporate governance practices. Also, some of the directors hold positions in other companies with which TotalEnergies Marketing Nigeria Plc had transactions during the current financial year. The selection and conduct of the other companies were in conformity with the rules of ethics and acceptable standards. In addition, TotalEnergies ensures that such contracts are conducted at arm's length at all times and shareholders have given approval for interrelated party transactions.

9. PROPERTY, PLANT AND EQUIPMENT

Movements in intangible assets and Property, Plant and Equipment during the year are shown in Notes 16 of the Financial Statements.

10. POST BALANCE SHEET EVENTS

As at 30th March, 2023 the Directors were not aware of any post balance sheet events which have not been adequately provided for and which could have a material effect on the financial position of the Company as at 30th March, 2023 as well as the profit for the year to that date.

11. COMPANY'S DISTRIBUTORS

The names of the Company's significant distributors are shown on pages 85 to 88.

12. SUPPLIERS

Key suppliers of products and materials to the Company are:

S/N	Vendor Name	S/N	Vendor Name
1	TOGAY VENTURES LIMITED	13	TARANA ENERGY LIMITED
2	PANAR LIMITED	14	PETRICHOR BOX FACTORY LIMITED
3	PACEGATE LIMITED	15	DEEAJAO NIGERIA LIMITED
4	POLY PRODUCTS NIGERIA PLC	16	JMG LIMITED
5	HOGL ENERGY LIMITED	17	BONO ENERGY STORAGE TERMINAL L
6	AVON CROWNCAPS & CONTAINERS LTD	18	REALSTAR NIGERIA LIMITED
7	BECKLEY CONSULTING LIMITED	19	BERICAP, S.A.U.
8	WAYNE (WEST AFRICA) LIMITED	20	JUBAILI BROS ENG LIMITED
9	T. MARINDOT VENTURES NIG. LTD	21	VICKERS SERVICES LIMITED
10	SUNPOWER SYSTEMS SARL	22	KEMDIO TECHNICAL LTD
11	AMAIDEN ENERGY NIGERIA LIMITED	23	PRIME SIGNS LIMITED
12	SUNHIVE LIMITED	24	AFFORDABLE CARS LIMITED

13. INTER-COMPANY TRANSFERS AND TECHNICAL MANAGEMENT AGREEMENTS

The Company is a party to a subsisting agreement in respect of License, Marketing know-how and Training. This agreement is between the Company and TotalEnergies Raffinage Marketing and TotalEnergies Outré Mer.

The terms of the agreements include:

- (a) Provision of assistance and advice on the general organization and management of the Company.
- (b) Provision of suitable expatriate personnel for employment as required and at the request of the Company.
- (c) Provision of overseas training and retraining for Nigerian employees to enable them assume positions of higher responsibility within the Company.
- (d) Product research development assistance.
- (e) Constructions, engineering and design assistance, provision of accounting and operations computer software, sample analysis and control.
- (f) Technical assistance for inventory control, product storage and handling procedures; aviation services assistance and provision of operational manual to ensure compliance with international standards.
- (g) Payment of technical assistance and management fees.

14. ACQUISITION OF OWN SHARES

The Directors affirm that the Company did not purchase its own shares during the year. The employees of the Company are participants in the TotalEnergies Employees' shareholding plan. TotalEnergies Marketing Nigeria Plc finances the purchases made by Staff and this is repayable over a number of years.

15. DONATIONS

As the Company did in the previous year, donations were made to several charitable organizations during the year 2022 and the beneficiaries are as follows:

	DONATION	AMOUNT (₦)
1	SOS villages Annual Corporate Sponsorship	14,557,728
2	Donation to PTD & NUPENG-Aviation	600,000
3	Iwere College Interhouse Sports Sponsorship	200,000
4	Support towards the revamp of Apapa Federal Fire Service Station	9,702,170
5	Startupper Challenge project implementation excluding Prize Money	37,685,081
6	Skills Acquisition Programme	13,093,255
7	World Clean Up Day activities	1,086,100
8	Community engagement meetings	190,000
9	Koko Scholarship project 2022.	1,480,000
10	Women Empowerment program	6,853,000
11	L.E.A.D Career Program for Schools	6,530,000
12	Red Cross Society - Support/donation to Flood disaster Victims	7,142,857
13	World AIDS Day activities	5,962,000
14	Annual Corporate Donation to Various Charity Organisations	4,997,000
15	Donation to Police Community Relations Committee on Security	500,000
16	Sponsorship of Award Ceremonies	2,460,000
17	Federal Road Safety Corps	845,000
TOTAL		113,884,191

No donations were made to any political parties. Extensive information on our societal actions can be found in our sustainability report www.services.totalenergies.ng

16. EMPLOYMENT AND EMPLOYEES

We have created and are sustaining an atmosphere of diversity and inclusion in TotalEnergies. Safety, Equity, Equality of opportunity, Diversity and Inclusion are a part of TotalEnergies Marketing Nigeria Plc's identity.

(a) Health, Safety, Environment and Quality Policy

For your Company, Safety remains our core value and top priority! It is the strategic lever for improving overall performance and the cornerstone of our operational excellence in all of our business lines. Our Total Rate of Incident Recorded stands at Zero, with no accident within and outside our perimeter. In line with the Company's mandate to compliment zero fatality campaign programme and to improve safety at work we conducted Project Risk assessments for Projects and maintenance activities in Service stations, held a Safety Stand Down campaign for signage contractors, implemented the digitalization of Zero fatality checks using the IZI safety platform for effective Monitoring of High-Risk activities and some industrial sites and ensured 100% implementation of system scaffold use by all contractors working at height. Several Technical & HSE Audit of various sites were carried out to evaluate the control of the site operations and assist the audited site to improve on the management of HSE risks and Occupational hazards and Industrial Hygiene Risk assessment was completed for all sites with Job Risk assessment training carried out for Technical. Sales & Operations teams. A review of HSE inspection and Audits action plans inspections (Planned inspection, safety tours, MAESTRO & MAESTRO LOG Audits) was also conducted.

The safety and health of our people is a critical factor for our operations. Our 2022 HSE performance was yet again quite impressive. As at the at 31st of December 2022 we were 2540 days without fatal accident had recorded 0 days Loss Time Incident Rate and had no accident within and outside our perimeter.

(b) Equal opportunities, Diversity and Inclusion

All employees are given equal opportunities and resources to develop professionally and personally to their full potential We continue to advocate diversity and inclusion by supporting an open and inclusive corporate culture where all genders can flourish.

TotalEnergies Marketing Nigeria Plc is an equal opportunity employer and does not discriminate on any grounds. We support fair employment practices. We aim to have an institution free from discrimination and based upon the values of dignity and respect. Respect for the employees is at the heart of our organization and is one of our core values. We encapsulate listening to each other and ensuring compliance with human rights both within the Company and amongst our partners.

We employ and retain people from a wide range of backgrounds. Our employment policy is free of discrimination against existing or potential employees on grounds of race, ethnicity, nationality, gender, age, disability, political opinion, competencies, background or faith. It is TotalEnergies policy not to discriminate against physically challenged persons or persons living with HIV/AIDS. The Company continues to pursue its policy of non-discrimination in recruitment and continued employment, offering physically challenged persons career opportunities. The Company ensures that the work environment is accessible and conducive for them.

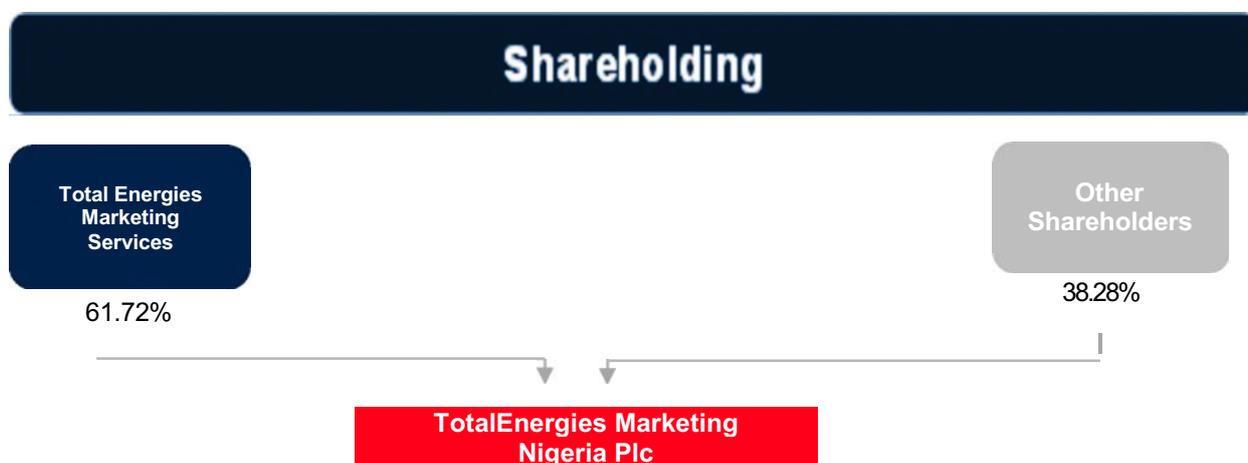
(c) Employees Welfare, Development, Training and Engagement

Our people form a major component of our ambition to become the responsible energy major and a world class player in the energy transition. TEMNPLC prides itself on being a reference for a responsible employer. As we create shared value, the wellbeing of our people is very much front burner and we are a responsible employer that is attentive to our employees and their expectations – committed to developing our talent, putting every employee in the driving seat of their professional development, promoting the manager coach, building a good place to work etc. Development and empowerment of our people is key; we continue to upskill and upscale our people.

We also promote a work environment that combines performance and conviviality. We have put in place a system which provides social protection for everyone: Medical check-up every 2 years, Parental leave applied equally to biological and adoptive families, Pension, health and life insurance plans, social dialogue associations, etc We are a preferred employer.

17. MAJOR SHAREHOLDINGS.

- a) The issued and fully paid shares of 50 kobo each of the Company as at 31st December, 2022 were beneficially held as follows:



Shareholder	2022 Number of Shareholding '000	%	2021 Number of Shareholding '000	%
TotalEnergies Marketing Services	209,560	61.72	209,560	61.72
Other Shareholders	129,962	38.28	129,962	38.28
Total	339,522	100.00	339,522	100.00

- b) No shareholder, except as disclosed above, held more than 5% of the issued capital as at 31st December, 2022 and as at 30th March, 2023.

(c) Range analysis of ordinary shareholdings

RANGE			NO.OF HOLDERS	% HOLDERS	HOLDINGS	% HOLDINGS
1	-	500	14,190	52.08	2,363,580	0.70
501	-	1,000	3,523	12.93	2,617,761	0.77
1,001	-	5,000	7,239	26.57	15,309,957	4.51
5,001	-	10,000	1,189	4.36	8,261,105	2.43
10,001	-	20,000	568	2.08	7,841,704	2.31
20,001	-	50,000	281	1.03	8,741,329	2.57
50,001	-	100,000	100	0.37	7,245,482	2.13
100,001	-	500,000	119	0.44	25,524,936	7.52
500,001	-	5,000,000	33	0.12	41,900,746	12.34
5,000,001	-	50,000,000	2	0.01	10,155,607	2.99
50,000,001	-	339,521,837	1	0.00	209,559,630	61.72
GRAND-TOTAL:			27,245	100.00	339,521,837	100.00

18. INTERNAL FINANCIAL CONTROLS

Effective financial controls are an essential management tool. Accordingly, reasonable care has been taken to establish and maintain a framework of financial controls to ensure that the Company's assets are safeguarded and that proper accounting records are maintained with a view to providing reliable financial information.

There exist adequate guidelines for all aspects of internal controls relating to operational and compliance controls as well as risk management. The Board and Management will in line with regulation and international best practices continue to review the effectiveness and the adequacy of the Company's internal control systems and update such as may be necessary.

19. AUDITORS

In accordance with Section 401 of the Companies and Allied Matters Act, (CAMA) 2020, a resolution will be proposed at the next Annual General Meeting authorizing the directors to determine the remuneration of the auditors.

BY ORDER OF THE BOARD



Olubunmi Popoola-Mordi
FRC/2013/ICSAN/00000002042
Company Secretary
LAGOS, NIGERIA
31st March, 2022

STATEMENT OF CORPORATE RESPONSIBILITY

In accordance with the provisions of Sections 405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the Audited financial statements for the year ended 31st December, 2022 and based on our knowledge confirm as follows:

- The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading in light of the circumstances under which the statement was made;
- The audited financial statements and all other financial information included in the statements fairly present in all material respects, the financial condition and results of operation of the Company as of the period ended 31st December, 2022;
- The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the auditors in the course of the audit;
- The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as at 31st December, 2022;
- That we have disclosed to the Company's Auditors and the Statutory Audit Committee the following information:
 - a) That there are no significant deficiencies in the design or operation of the Company's internal control which could adversely affect the Company's ability to record, process, summarise and report financial data and have discussed with the auditors any weaknesses in internal controls observed in the course of the audit
 - b) There is no fraud involving management which could have any significant effect on the Company's internal control.
 - c) There is no significant change in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.



Mrs. L. Baxter-Green
FRC/2020/003/00000020680
Executive Director
30th March, 2023



DR. S. SEYE
FRC/2020/003/00000024858
Managing Director
30th March, 2023

CORPORATE GOVERNANCE REPORT

TotalEnergies is committed to institutionalizing the principles of corporate governance and ethical business practices. We have always adopted a responsible attitude towards corporate governance and issues of Corporate Social Responsibility in Nigeria. The Company conducts its business with integrity and pays due regard to the laws of Nigeria and the legitimate interest of its stakeholders. The Board of Directors (“the Board”) is continually reviewing corporate governance standards and procedures and subscribes to regulation, legislation and international best practices.

The Board recognizes that good Corporate Governance is a key driver of corporate accountability and business prosperity thus it has demonstrated commitment towards embedding excellent corporate governance practices across the entire Company. This commitment is visibly seen in its sustained drive to institutionalize practices, policies and structures which accentuate the very essence of good corporate governance and best practices in its functions and across the entire Company.

In furtherance of implementing the best corporate governance standards the Board is guided by the Companies and Allied Matters Act 2020, The Rule Book of the Nigerian Exchange for the time being in force, The Investment and Securities Act 2007, The Securities and Exchange Commission (SEC) Rules for the time being in force, The Nigerian Code of Corporate Governance 2018, The Securities and Exchange Commission (SEC) Corporate Governance Guideline 2021, The Memorandum and Articles of Association of TotalEnergies Marketing Nigeria Plc., The Board Charter, The TotalEnergies Code of conduct and integrity guide etc.

THE BOARD OF DIRECTORS

As currently constituted, the Board of Directors comprises the Chairman, the Managing Director, two Executive Director as well as five Non-Executive Directors. The positions of the Chairman and that of Managing Director are held by different persons. In accordance with the provisions of the Company’s Articles of Association, the Board is mandated to manage the business and affairs of the Company except as required by statute or the Articles to be exercised by the Company in the general meeting. The Directors of TotalEnergies are knowledgeable about the Company’s business, well established in various fields of endeavour and bring a wealth of experience to bear on the activities of the Board. The Board ensures that its governance standards, practices and processes are adequate and effective. The Board has a charter which regulates its operations.

Roles and Responsibilities of the Board of Directors

The Board is responsible for ensuring that the Company is properly managed and meets its strategic objectives. The Board provides both entrepreneurial and strategic leadership. The Directors act in good faith, with due diligence and care and in the best interest of the Company. The Board in discharging its duties, adopts best international practice principles in line with laid down regulations.

The responsibilities of the Board include:

- i) Management of the business and affairs of the Company except as required by statute or the Articles to be exercised by the Company in the general meeting;
- ii) Articulation and formation of Strategy;
- iii) Formulation of policies and overseeing the management and conduct of business;
- iv) Formulation and management of risk management framework;
- v) Succession planning and the appointment, training, remuneration and replacement of Board members and Executive Committee members;
- vi) value and to meet the Company’s obligations to its stakeholders.
- vii) Overseeing the effectiveness and adequacy of internal control systems;
- viii) Performance monitoring and appraisal of the Company;
- ix) Overseeing the maintenance of the Company’s communication and information dissemination policy;
- x) Serving the legitimate interests of the shareholders and the Company and accounting to them fully;
- xi) Ensuring effective communication with stakeholders;

- xii) Reviewing and approving annual budgets;
- xiii) Ensuring the integrity of financial reports;
- xiv) Promoting and ensuring that ethical standards are maintained;
- xv) Ensuring that the human and financial resources of the Company are effectively deployed towards achieving her goals;
- xvi) Ensuring that no one person or group of persons has unfettered power and that there is an appropriate balance of power and authority on the Board which is usually reflected by separating the roles of the Managing Director/Chief Executive Officer (MD/CEO) and Chair and by having a balance between executive and non-executive Directors;
- xvii) Regularly assessing its performance and effectiveness as a whole and that of the individual Directors, including the MD/CEO;
- xviii) Appointment of the MD/CEO;
- xix) Ensuring the motivation and protection of human capital intrinsic to the Company; ensuring that there is adequate training in the Company for management and employees and a succession plan;
- xx) Ensuring that all technology and systems used in the Company are adequate to properly run the business and for it to remain effectively competitive;
- xxi) Identifying key risk areas and key performance indicators of the business and monitoring these factors;
- xxii) Ensuring annually that the Company survives, thrives and continues as a viable going concern;
- xxiii) Ensuring compliance with the Company's articles, all laws and regulations;
- xxiv) Conducting performance and progress monitoring against the strategies and objectives of the Company, including assessing the Company's financial position and performance (at least quarterly);
- xxv) ensuring that management systems are in place to identify and manage environmental and social risks as well as their impact;
- xxvi) Approving the Company's interim dividend and proposing dividends to be finally approved by the shareholders at the annual general meeting; and
- xxvii) Deciding and approving the expenditure and authorising, investment and credit limits to be delegated

Board Appointment, Induction and Training

Once a vacancy on the Board of Directors is declared, curricula vitae of suitable candidates (depending on the required experience, competencies and skills set) are obtained and reviewed; interviews are conducted and a recommendation is made to the Board of Directors. Appointment is by the Board of Directors. Subsequently, Directors appointed by the Board are presented to shareholders at the next Annual General Meeting for election. Board members undergo an induction and training from time to time. To ensure effective management of the Company, Directors attend relevant seminars and conferences designed to acquaint them with new trends in governance and organizational development as well as empower them for their roles. The Board of Directors is able to retain external counsel for independent advice.

Board Evaluation

The Board conducted a formal evaluation of its performance in the year under review taking into account all relevant codes on corporate governance and international best practices. The Report shows that TotalEnergies's governance procedures and practices during the year ended 31st December, 2022 were in conformity with the provisions of applicable legislation, regulations, corporate governance Codes and international best practices. All action points from the Evaluation will be addressed in the course of 2023.

Re-election of Directors

As prescribed by the Company's Articles of Association and Section 285 of the Companies and Allied Matters Act, 2020 a maximum of one third of the Directors who are longest in office since their last appointment are required to retire by rotation and are eligible for re-election. Messrs. Nnamani, Baxter-Green and Ben Hamida are Directors seeking re-election at this Annual General Meeting. Their biographical details are contained on Pages 12 to 14 of this Annual Report and Accounts. Likewise, Directors appointed since the last Annual General Meeting retire and being eligible, offer themselves for re-election. Mrs. Popoola-Mordi was appointed since the last Annual General Meeting. Her biographical details are contained on Pages 14 of this Annual Report and Accounts.

Code of business conduct and ethics

The Board is committed to conducting all business activities, legally, ethically and in accordance with the highest standards of integrity and propriety. The Board exercises leadership, enterprise, integrity and judgment in directing the Company so as to achieve continuing survival and prosperity for the company.

The Board promotes an ethical corporate culture. Every Director and employee subscribes to comply with the Company's Business Integrity Guide and Code of Conduct which covers TotalEnergies business principles and ethics. We are committed to maintaining a brand of repute and business reputation.

Attendance at Board Meetings

The Board met 4 (four) times during the 2022 financial year. Attendance at Board Meetings during the year ended 31st December, 2022 is as indicated below:

Directors	31 st March	15 th June	26 th October	15 th December	Total Attendance
Mr. J-P Torres	P	P	P	P	4
Mr. S. Seye	P	P	P	P	4
Mrs. L. Baxter-Green	P	P	P	P	4
Ms. T. Ibru	P	P	P	P	4
Engr. A.R. Sirajo	P	P	P	P	4
Dr. J.E Nnamani	P	P	P	P	4
Ms. T. Ibru	P	P	P	P	4
Mrs. L Badaire	P	P	P	P	4
Mr. N. Ben Hamida	A	P	P	P	3

Attendance Keys: A= Absent with apology, P= Present, R= Resigned, N = Not Applicable

Board Committees

In line with its Articles, the Companies and Allied Matters Act, 2020 and in conformity with the Securities and Exchange Commission's 2011 Corporate Governance Code and the Nigerian Code of Corporate Governance 2018 the Board has established some committees and will in the course of the coming year establish additional committees to cover specific subject matters. These committees assist the Board to effectively perform its guidance and oversight functions. All committees have terms of reference which guide them in the carrying out of their responsibilities. The committees comprise of Directors and shareholder representatives. In 2022, there were three Board Committees and a Statutory Committee: Diversity and Staff Development Committee, Corporate Governance Committee, Risk Management Committee and the Statutory Audit Committee. In the opinion of the Board, the committees performed creditably during the year under review.

(i) Diversity and Staff Development Committee:

The Company recognizes diversity as a decisive factor for its competitiveness, attractiveness and ability to adapt. This committee is charged with studying diversity patterns in the workforce and developing ideas and solutions towards ensuring a balanced and productive human resource base for the Company as well as recommending methods for building and developing employee potential in line with Company policy. The committee also has oversight of the welfare of employees and labour relations. The members of the Diversity and Staff Development Committee were:

- Ms. T. Ibru
- Engr. R. Sirajo
- Dr. J.E Nnamani
- Mrs. L. Badaire

Attendance at the meetings of the committee during the year ended 31st December, 2022 was as indicated below:

Director	8 th March 2022	1 st September 2022	19 th December 2022	Total Attendance
Ms. T. Ibru (Chair)	P	P	P	3
Engr. A.R. Sirajo	P	P	P	3
Dr. J. Nnamani	P	P	P	3
Mrs. L. Badaire	P	P	P	3

Attendance Keys: P= Present N = Not Applicable

(ii) Corporate Governance Committee:

This committee's brief is essentially the application of the Code of Corporate Governance to the structure and operations of the Company with a view to ensuring compliance with internationally accepted guidelines, practices and norms of corporate conduct. In this respect, it examines matters that bear potential risks for the Company. The members of the committee were:

- Ms. T. Ibru
- Engr. A.R. Sirajo
- Dr. J.E Nnamani

Attendance at the meeting of the committee during the year ended 31st December, 2022 was as indicated below:

Director	25 th February 2022	1 st September 2022	19 th December 2022	Total Attendance
Engr. A.R. Sirajo (Chair)	P	P	P	3
Ms. T. Ibru	P	P	P	3
Dr. J. Nnamani	P	P	P	3

Attendance Keys: A= Absent with apology, P= Present

(iii) Risk Management Committee:

The Board established a Risk Management Committee. This committee's brief is essentially to assist the Board of Directors in fulfilling its guidance and oversight responsibility relating to establishment of policies, standards and guidelines for risk management and compliance with legal and regulatory requirements in the Company. The members of the committee were:

- Dr. J.E Nnamani
- Engr. A.R. Sirajo
- Mr. N. Ben Hamida

Attendance at the meeting of the committee during the year ended 31st December, 2022 was as indicated below:

Director	4 th March 2022	19 th December 2022	Total Attendance
Dr. J. E Nnamani (Chair)	P	P	2
Engr. A.R. Sirajo	P	P	2
Mr. N. Ben-Hamida	P	P	2

Attendance Keys: P= Present

(iv) Statutory Audit Committee:

In compliance with Section 404(2) of the Companies and Allied Matters Act, (CAMA) 2020 the Company has established a Statutory Audit Committee. In 2020 the Statutory Audit Committee membership was revised to comply with the provisions of Section 404(3) of the Companies and Allied Matters Act (CAMA), 2020 which requires that the committee be composed of two Non-Executive Directors and three

shareholders elected at the Annual General Meeting. It is chaired by a shareholder representative. The terms of reference of the committee are as prescribed in the provisions of Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020 and the Statutory Audit Committee Charter.

In the performance of their duties, members of the committee have direct access to the internal audit department, the external auditors, management and any other officer that is required. In compliance with the provisions of Section 404(3) of the Companies and Allied Matters Act (CAMA), 2020 the following members and Directors were elected and will serve on the committee up to the conclusion of the 45th Annual General Meeting:

- Chief T.A. Adesiyan - Shareholder (Chairman)
- Mr. K.A. Taiwo - Shareholder
- Mr. C. Achara - Shareholder
- Ms. T. Ibru - Director
- Engr. R. Sirajo - Director

In accordance with Section 404 of the Companies and Allied Matters Act (CAMA), 2020 the Shareholders and Directors listed below sat on the Audit Committee for the purpose of the Company's year 2022 audit. Attendance at meetings of the Committee was as indicated below:

	25 th February 2022	29 th March 2022	27 th May 2022	27 th July 2022	24 th October 2022	19 th December 2022	Total Attendance
Chief T.A. Adesiyan (Chairman)	P	P	P	P	P	P	6
Mr. K.A Taiwo.	P	P	P	P	P	P	6
Mr. C. Achara	P	P	P	P	P	P	6
Ms. T. Ibru	P	P	P	P	P	P	6
Engr. R. Sirajo	P	P	P	P	P	P	6

Attendance Keys: P= Present S=Scheduled

COMPLIANCE STATEMENT

Corporate compliance is an essential part of the Company's operations as it lays out expectations for employee behaviour, helps staff stay focused on organization's broader goals, ensures the company and employees follow applicable laws, regulations and ethical practices and fosters a workplace culture that values integrity and ethical conduct. We have a formal system in place to create awareness, monitor, train and support employees and directors to uphold policies and procedures. Periodic tone at top messages sent to all staff by the leadership team. (28 sent in 2022) We conduct due diligence exercise on partners, customers, contractors and other stakeholders where necessary. We conduct an annual conflict of interest declaration exercise and observed the business ethics day on the 9th of December, 2022.

The Company has complied with the requirements of the Securities and Exchange Commission's 2011 Code of Corporate Governance for Public Companies in Nigeria, the Nigerian Code of Corporate Governance 2018 and the Post-listing Requirements of the NGX Regulation.

TEMNPLC has complied with regulations guiding its operations and activities throughout the year. TotalEnergies ensures that its existence and operations remain within the law. The Company complies with the laws and regulations of Nigeria. We are committed to the continued sustenance of the principles of sound corporate governance.

SHARE TRADING POLICY

The Company has put in place a securities trading policy which guides all directors, employees and counterparts who may at any time possess inside or material information about the Company. The said policy is in accordance with the Post-listing Requirements of the NGX Regulation and also contains a reminder of the Investment and Securities Act 2007 and the Companies and Allied Matters Act (CAMA), 2020. It can be found on our website. To ensure compliance, the Policy and Closed Periods are communicated periodically.

In the course of 2022, none of our directors, employees and counterparts notified us of any contravention of TotalEnergie's Securities Trading Policy.

COMPLAINTS MANAGEMENT POLICY

In accordance with the rules of the Securities and Exchange Commission relating to the Complaints Management Framework of the Nigerian Capital Market (“SEC Rules”) 2019, shareholders who have complaints may use the electronic complaints register on the Company’s website to register their complaints. We also have a section dedicated to receiving complaints on our website. We can also be contacted on our various social media handles. These enable the Company to handle complaints from shareholders and other stakeholders in a timely, effective, fair and consistent manner.

WHISTLE-BLOWING POLICY

In line with the requirements of the Securities and Exchange Commission’s 2011 Code of Corporate Governance and global best practices, the Company has put in place a Whistle-Blowing Policy which is a process whereby the illegal, unethical or inappropriate actions of employees that are injurious to the interest of the company can be reported. The whistle blowing hotline is confidentially managed by Messrs. KPMG Professional Services.

CORRUPTION

Safety is one of the foremost pillars of our organization, and so are Governance and Ethics. They define who we are, what we believe in, how we behave and interact. We shall continue to strongly promote integrity whilst sanctioning corrupt and fraudulent behaviour. TotalEnergies Marketing Nigeria Plc is an ethical business organization. In all our dealings, we are committed to the highest standards of integrity and ethical conduct. We do not tolerate bribery and corruption in any form. We actively promote transparency, encourage and monitor strict adherence to our anti-corruption policy. Not only is our anti-corruption policy entrenched in-house (as our staff are trained and uptrained), we have extended the same to our suppliers, partners and third parties acting for and on behalf of TotalEnergies Marketing Nigeria Plc. Periodic tone at top messages were sent to all staff by members of the management Executive Committee. Compliance with our codes of business conduct, ethics and integrity guidelines is mandatory and monitored at the highest level of the organization. Our stance remains a policy of zero tolerance for corruption.

Demonstrating high ethical standards has today become a business imperative and is a vital criterion in achieving our ambition to become THE responsible energy major. The Company has developed a robust compliance plan, which involves knowing who you are doing business with, continuously analyzing the risks associated with every transaction, monitoring, making our expectations clear to our partners and suppliers and demanding them to cascade same to their stakeholders. Our staff and stakeholders are encouraged to approach issues with individual and collective vigilance. Everyone in the chain must play his / her role. In the course of the year several programmes and activities were run on ethics; these culminated in the Company commemorating the TotalEnergies Business Ethics Day on the 8th of December, 2022 which focused on Respect - Respect for each other, everybody wins!

ANTI-COMPETITON

We recognize that competition is an instrument of promoting growth and sustainable development. We are at the forefront of fostering competition in our sector of the economy as we actively play by the rules and ensure that we do not engage in anti-competitive activities.

ROLE IN SOCIETY

TotalEnergies Marketing Nigeria Plc is one of the major players in the downstream sector of the oil and gas industry and is an integral part of the Nigerian society as an employer, a supplier, a customer, a partner and a taxpayer.

TEMNPLC is a socially responsive organization. We utilise the stakeholders relationship management model so hence consult with our stakeholders and have a policy which, not only drives but equally regulates our relationships within our operating environment. TotalEnergies organizes stakeholders’ fora in all its sites where joint decisions are taken concerning project implementation and monitoring jointly implemented. Our Corporate Social Responsibility (CSR) initiatives are implemented in a climate of respect, listening, continuous dialogue and transparency with stakeholders, and in line with their specific needs.

TotalEnergies Marketing Nigeria Plc conducted its societal actions in 2022 in line with the Company’s CSR strategy while taking into account the objectives of supporting the attainment of the Sustainable development goals, stakeholder engagement, negative impact management and socio-economic development of its communities. Some key 2022 TotalEnergies corporate social responsibility activities were:

Revamp of the Apapa Federal Fire Service Station: In further keeping with the Company’s commitment to Health, Safety, Environment and Quality and in response to the outcomes of prior stakeholder engagement activity embarked upon by the Company, in 2022, TEMNPLC provided a 10,000-liter capacity tank, bunk beds with accessories to the Federal Fire Service, Marine beach - Apapa Station. The gesture was in fulfilment of the need for reliable and adequate water holding facility for the Federal Fire Service. Equally important was the

need to ameliorate the sleeping condition of the Firemen who work, day and night, to ensure fire safety, not only in the Apapa community, but also its environs.

World Aids Day with truckdrivers- The theme for the 2022 campaign was “Equalize”. We commemorated the World AIDS Day with free HIV/AIDS testing and counselling for Petroleum Truck Drivers (PTD) and the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) at the Suleja Depot/Truck Park, Niger State. Free condoms and educational leaflets were also distributed to participants. The campaign was implemented in conjunction with Medbury Medical services.

The Learn, Experience, Articulate & Decide (L.E.A.D) Career Program is a youth educational development program that focuses on exposing secondary school students to career options as well providing practical insights into the work environment. In 2022, the program held in a hybrid format with a virtual audience of 1,110 students (students from 20 schools logged-in virtually in groups) and a physical studio audience of 31 students accompanied by their teachers. It was a compendium of highly engaging and interactive sessions delivered by technical experts and professional employees, focusing on career pathing, Leadership and its implication on emerging technologies and the sustainable development goals with a focus on Goal-13, “Climate Action”.

The Koko Youth Entrepreneurship Program is a youth skills development and economic empowerment program with a one year paid vocational training. To positively impact the local economy of our host communities (Koko in Delta State), on an annual basis since 2006, TEMNPLC trains and sets up small and medium scale enterprises for indigenous youth on vocations of their choice: catering, fish farming, welding, fashion business, hair and makeup artistry, furniture making etc. The program has a positive multiplier effect on the socio-economic status of not only the koko community, but the entire region as the trainers are hired locally, while the graduates in turn, train other youth.

We have continued to support the children of the SOS villages under the aegis of our flagship programme **the SOS annual sponsorship**. We support 4 family houses in the SOS Children’s Villages Nigeria. This is reinforced by the **Mentor-a-Child-Program** for children through the intervention of company employees. In 2022, in addition to the family sponsorship, food items were donated to the four villages across Nigeria as well as seasonal gifts to the children in the sponsored houses.

The Leave-no-Child-Behind project where SOS donation boxes are placed at select TotalEnergies Service stations to support the villages continues to operate alongside our SOS digital project. The SOS digital project is predicated on the need to provide sustainable and secure educational future for TotalEnergies’ sponsored children at the SOS Children’s Villages Nigeria.

Startupper of the year challenge by TotalEnergies: We ran the third edition of the challenge in 2022. It is a national competition aimed at identifying, rewarding, and supporting the best business creation projects or the best developments of innovative companies that are less than three (3) years old. The competition support projects that promote the development of local initiatives in the field of sustainable development. The 3 winners were awarded cash prizes, benefited from massive media visibility and supported with business development programmes aimed at birthing their businesses. For the African leg of the competition (32 countries participated) SOSO Care, one of the three Nigerian winners progressed to win a special jury prize which included a business incubation program in Paris.

World Clean Up Day Initiatives: To commemorate the world clean up day your Company embarked on collection of plastics and other recyclable wastes alongside environmental clean-up of neighborhoods around it service stations, Bodija market Ibadan, Oyo State and Port-Harcourt, Rivers State. In Ibadan, employees and station staff volunteered extensively while partnering with stakeholders from the Bodija Market, and PetsPoint Technologies. In Port-Harcourt, the project was implemented by SOSO Care with other corporate organizations alongside TotalEnergies as sponsors and volunteers. Plastic wastes were removed from the environment.

Agri-Business Empowerment for Women: This Skill Acquisition Program aims to create a pool of economically empowered females that will directly impact their communities. These women had already acquired skills but lacked finance, business support and expertise to start, manage or grow their small-scale businesses. TEMNPLC provided grants to empower young female small-holder farmers in pursuit of small-scale livestock and agricultural farming. The project was deployed in Enugu, Ogun and Lagos states.

Through our donations we continue to support several charity organizations. These charities focus on youth, education, local economic empowerment and the environment.

Extensive information on our societal actions can be found in our sustainability report www.services.totalenergies.ng.

RELATIONSHIP WITH SHAREHOLDERS

The Board considers effective communication with Shareholders as being of utmost importance. The Board is committed to continuous engagement with its shareholders and ensures that shareholder rights are well protected. Transparency and equitable treatment for all our shareholders are the principles that guide our actions. We make sure that you are regularly informed. The Company reports formally throughout the year with the quarterly and full year results announcements, Sustainability and Annual Reports. Through these reports the Board renders an account of its stewardship to shareholders. From time to time the Company also makes other announcements which can be found on our website (www.services.totalenergies.ng) and the Nigerian Exchange regulations Limited's website <https://ngxgroup.com/>

We can also be contacted on social media via:



Twitter (www.twitter.com/TotalEnergiesNG)



Facebook (www.facebook.com/TotalEnergiesNigeria).



YouTube (www.youtube.com/TotalEnergiesNigeria)



Instagram (www.instagram.com/TotalEnergies_Ng)

In addition to this, periodically, management holds meetings with institutional investors and other Shareholders. In 2022, we continued to maintain active dialogue with our shareholders using digital channels.

The Board also welcomes the participation of all Shareholders at the Annual General Meeting during which Shareholders can put questions to the Directors, Audit Committee and Senior Managers in writing prior to the meeting, formally during the meeting and informally after the meeting. The Annual General Meeting is a key moment of democracy and shareholder dialogue.

Our records show that several dividends and share certificates remain unclaimed despite publications in the newspapers 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 to this annual report for your necessary and urgent attention.



Olubunmi Popoola -Mordi
FRC/2013/ICSAN/00000002042
Company Secretary
30th day of March, 2023

STATEMENT OF DIRECTORS RESPONSIBILITIES

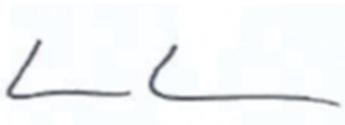
In accordance with the provisions of Sections 385 of the Companies and Allied Matters Act (CAMA) 2020, the Company's Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company for the year ended 31st December, 2022 and its results for that year. This responsibility includes ensuring that:

- Proper accounting records are maintained;
- Appropriate internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- Applicable accounting standards are followed;
- Suitable accounting policies and standards are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent; and
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business.

The Directors accept responsibility for these financial statements which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and in the manner required by the Financial Reporting Council of Nigeria Act No. 6, 2011 and the Companies and Allied Matters Act (CAMA) 2020.

The Directors are of the opinion that these financial statements give a true and fair view of the state of affairs of the Company as at the end of the financial year and its results for that year. The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA) 2020 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 that the Company will not remain a going concern for twelve months from the date of this statement.



Mrs. L. Baxter-Green
FRC/2020/003/00000020680
Executive Director
30th March, 2023



Dr. S. Seye
FRC/2020/003/00000024858
Managing Director
30th March, 2023

REPORT OF THE STATUTORY AUDIT COMMITTEE

In compliance with section 404 (7) of the Companies and Allied Matters Act (CAMA) 2020 we confirm that we have:-

- A. Reviewed the scope and planning of the audit requirements;
- B. Reviewed the External Auditors Management Report for the year ended 31st December, 2022 as well as the managements response thereon; and
- C. Ascertained that the accounting and reporting policies of the Company for the year ended 31st December, 2022 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the internal control and internal audit functions are operating effectively and the scope and planning of the audit for the year ended 31st December, 2022 were adequate and Management's responses to the Auditor's findings are satisfactory,

In addition the scope, planning and reporting of these Financial Statements is compliant with the requirements of the International Financial Reporting Standards as adopted by the Company.

Dated this 24th day of March, 2023



Chief T. Adesiyan
Chairman
FRC/2013/IODN/00000003745

MEMBERS OF THE COMMITTEE

Mr. C. Achara 

Mr. K. Taiwo 

Ms. T. Ibru 

Engr. R. Sirajo 



Independent auditor's report

To the Members of TotalEnergies Marketing Nigeria Plc

Report on the audit of the financial statements

Our opinion

In our opinion, TotalEnergies Marketing Nigeria Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act .

What we have audited

TotalEnergies Marketing Nigeria Plc's financial statements comprise:

- î the statement of financial position as at 31 December 2022;
- î the statement of profit or loss and other comprehensive income for the year then ended;
- î the statement of changes in equity for the year then ended;
- î the statement of cash flows for the year then ended; and
- î the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Profile, Mission Statement, Directors, Officers and Professional Advisers, Corporate Directory, Results at a Glance, Notice of Annual General Meeting, Chairman's Statement, Board of Directors Profile, Report of the Directors ,



Statement of Corporate Responsibility, Corporate Governance Report, Statement of Directors' Responsibilities, Report of the Statutory Audit Committee, Statement of Value Added, Five Year Financial Summary and Share Capital History, but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the other sections of the TotalEnergies Marketing Nigeria Plc's 2022 Annual Report which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the TotalEnergies Marketing Nigeria Plc 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- î Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- î Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.



- î Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- î Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- î Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books;
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Cyril Azobu
FRC/2013/ICAN/00000000648



31 March 2023

FINANCIAL STATEMENTS

TOTALENERGIES MARKETING NIGERIA PLC

STATEMENT OF FINANCIAL POSITION

AS AT

	Notes	31 December 2022 ₦'000	31 December 2021 ₦'000
Non-current assets			
Property, plant and equipment	16	41,866,105	38,734,517
Right-of-use assets	17 (i)	7,938,283	7,862,178
Intangible assets	15	191,875	123,302
Trade and other receivables	19.1	1,985,733	2,830,275
Total non-current assets		51,981,996	49,550,272
Current Assets			
Inventories	18	59,275,749	29,202,091
Withholding tax receivables	11.2.1	984,265	1,608,541
Trade and other receivables	19	111,391,821	63,966,447
Prepayments	20	1,457,577	1,448,934
Cash and cash equivalents	27	82,724,315	62,952,681
Total current assets		255,833,727	159,178,694
Total assets		307,815,723	208,728,966
Equity			
Share capital	26	169,761	169,761
Retained earnings		50,117,049	41,449,544
Total equity		50,286,810	41,619,305
Non-current liabilities			
Deferred tax liabilities	11.3	7,655,848	5,970,517
Lease liabilities	22	361,427	548,114
Employee benefits	12	1,551,290	1,150,202
Total non-current liabilities		9,568,565	7,668,833
Current liabilities			
Current tax liabilities	11.2	6,351,740	6,136,740
Loans and borrowings	21	47,741,972	15,116,802
Employee benefits	12	-	7,893
Trade and other payables	24	190,091,170	134,545,293
Deferred income	25	3,402,832	3,068,991
Lease liabilities	22	372,634	565,109
Total current liabilities		247,960,348	159,440,828
Total liabilities		257,528,913	167,109,661
Total equity and liabilities		307,815,723	208,728,966

These financial statements were approved and authorised for issue by the Board of Directors of the Company on 30 March 2023 and signed on behalf of the Board by:


 Seye Samba - Managing Director
 FRC/2021/003/00000024858


 Lesley Green - Executive Director
 FRC/2020/003/0000002068


 Additionally certified by:

Samson Eghwerehe - Head of Finance
 FRC/2018/ICAN/00000018952

The accompanying notes form an integral part of these financial statements.

TOTALENERGIES MARKETING NIGERIA PLC

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

		31 December 2022	31 December 2021
	Notes	₦'000	₦'000
Revenue	6	482,470,780	341,316,345
Cost of sales	7	(422,286,679)	(286,316,055)
Gross profit		60,184,101	55,000,290
Other income	8.1	3,482,059	4,478,604
Other expenses	8.1.2	-	(101,569)
Selling & distribution costs	10.1	(3,701,516)	(3,230,780)
Administrative expenses	10.2	(32,337,293)	(30,157,057)
Impairment write-back/ (loss) on financial assets	30 (iv)	40,189	(215,315)
Operating profit		27,667,540	25,774,173
Finance income	9	2,256,941	831,039
Finance costs	9	(5,392,201)	(1,769,657)
Net finance costs		(3,135,260)	(938,618)
Profit before income taxation		24,532,280	24,835,555
Income taxation	11.1.1	(8,413,904)	(7,973,425)
Profit for the year		16,118,376	16,862,130
Items that will not be reclassified to profit or loss			
Actuarial (loss)/ gain on employee benefits during the year	12 (i)	(9,435)	2,356
Related tax	11.3	3,067	(766)
Other comprehensive income		(6,368)	1,590
Total comprehensive income for the year		16,112,008	16,863,720
Earnings per share			
Basic and diluted earnings per share	14	47.47	49.66

The accompanying notes form an integral part of these financial statements.

TOTALENERGIES MARKETING NIGERIA PLC

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Share capital	Retained earnings	Total equity
	₦'000	₦'000	₦'000
Notes			
Balance at 1 January 2022	169,761	41,449,544	41,619,305
Profit for theyear	-	16,118,376	16,118,376
Other comprehensive loss for the year	-	(6,368)	(6,368)
Total comprehensive income for the year	-	16,112,008	16,112,008
Transactions with owners of the Company:			
Contributions and Distributions			
Forfeited dividend	13.1	92,881	92,881
Prior year final dividend	13.1	(6,179,297)	(6,179,297)
Current year interim dividend	13.1	(1,358,087)	(1,358,087)
Total transactions with owners of the Company	-	(7,444,503)	(7,444,503)
Balance at 31 December 2022	169,761	50,117,049	50,286,810

for the year ended 31 December 2021

	Share capital	Retained earnings	Total equity
	₦'000	₦'000	₦'000
Notes			
Balance as at 1 January 2021	169,761	27,981,218	28,150,979
Profit for the year	-	16,862,130	16,862,130
Other comprehensive income for the year	-	1,590	1,590
Total comprehensive income for the year	-	16,863,720	16,863,720
Transactions with owners of the Company:			
Contributions and Distributions			
Forfeited dividend	13.1	26,078	26,078
Prior year final dividend	13.1	(2,063,385)	(2,063,385)
Current year interim dividend	13.1	(1,358,087)	(1,358,087)
Total transactions with owners of the Company	-	(3,395,394)	(3,395,394)
Balance at 31 December 2021	169,761	41,449,544	41,619,305

The accompanying notes form an integral part of these financial statements.

TOTALENERGIES MARKETING NIGERIA PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

		31 December 2022	31 December 2021
	Note	₦'000	₦'000
Profit for the year		16,118,376	16,862,130
Adjustments for:			
Depreciation of property, plant and equipment	16	5,361,062	5,051,448
Depreciation of right-of-use asset	17 (i)	2,122,940	1,929,556
Amortisation of intangible assets	15	51,832	46,724
Provision for employee benefits	12 (a)	551,033	572,663
Write back of inventory (Net)	18.1	(160,202)	(101,993)
(Gain)/ Loss on disposal of property, plant and equipment	8	(153,569)	101,569
Net foreign exchange gain	8.1	(71,876)	(2,162,712)
Net finance costs	9	3,135,260	938,618
Income taxation	11.1.1	8,413,904	7,973,425
		<u>35,368,760</u>	<u>31,211,428</u>
Changes in:			
- Inventories	18 (a)	(29,913,456)	(7,480,162)
- Trade and other receivables	19.1 (a)	(52,195,873)	(23,030,961)
- Prepayments	20 (a)	(8,643)	359,266
- Trade and other payables	24	53,875,547	60,304,627
- Derecognition of right-of-use asset	17(iii)	-	14,071
- Lease liabilities	23	74,744	178,227
- Withholding tax receivable	11.2.1	624,276	37,456
- Deferred income	25	333,841	370,694
		<u>8,159,196</u>	<u>61,964,646</u>
Cash generated from operating activities			
Payment for employee benefits	12	(167,274)	(120,545)
Interest on staff loans	9	247,747	218,820
Interest on lease liabilities	9	(67,431)	(253,742)
Tax paid	11.2	(5,483,084)	(275,947)
Withholding tax credit notes recovered	11.1.1	109,145	174,398
Withholding tax paid	11.2	(1,136,567)	(707,852)
		<u>1,661,732</u>	<u>60,999,778</u>
Net cash generated from operating activities			
Cash flows from investing activities			
Additions to right-of-use asset	17 (iii)	(2,199,045)	(1,615,966)
Purchase of property, plant and equipment	16	(8,576,623)	(8,455,242)
Purchase of intangible assets	15	(120,405)	(27,606)
Interest received on deposits for unclaimed dividend	9	83,028	37,726
Interest received on deposits	9	1,926,166	574,493
Proceeds from disposal of property, plant and equipment		237,542	97,615
Net cash used in investing activities		<u>(8,649,337)</u>	<u>(9,388,980)</u>
Cash flows from financing activities			
Interest paid on bank overdraft	9	-	(133,296)
Interest paid on import loans	9	(3,349,033)	(101,220)
Interest paid on other loans	9	(1,975,737)	(1,281,399)
Payment on lease liabilities	23	(453,906)	(78,090)
Additional borrowings	23	180,067,428	4,867,766
Repayment of borrowings	23	(143,692,033)	(17,586,240)
Dividends paid	13.1	(3,677,967)	(3,510,183)
		<u>26,918,752</u>	<u>(17,822,662)</u>
Net cash generated from/ (used in) financing activities			
Net increase in cash and cash equivalents		19,931,147	33,788,136
Cash and cash equivalents at 1 January		62,952,682	25,272,980
Effect of movement in exchange rates on cash held	8.2	(159,514)	3,891,566
		<u>82,724,315</u>	<u>62,952,682</u>
Cash and cash equivalents as at year ended 31 December	27		

The accompanying notes form an integral part of these financial statements.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

1 The Company

Legal form:

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

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

In 2021, Total Group worldwide changed its name to TotalEnergies and adopted a new logo, thereby anchoring the transformation into a broad energy business within the Company's identity. Accordingly, the Company changed its name from Total Nigeria Plc to TotalEnergies Marketing Nigeria Plc in the same year.

	31 December 2022		31 December 2021	
	Number	Holdings	Number	Holdings
	₦'000	%	₦'000	%
TotalEnergies Marketing Service	209,560	61.72	209,560	61.72
Other shareholders	129,962	38.28	129,962	38.28
	339,522	100.00	339,522	100.00

No shareholder, except as disclosed above, held more than 5% of the issued share capital of the Company as at 31 December 2022 (2021: nil).

Principal activities

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

Description of business

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

No. 4, Churchgate Street
Victoria Island
Lagos State

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Financial Reporting Council (FRC) of Nigeria Act, 2011 and the Companies and Allied Matters Act (CAMA), 2020.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except otherwise indicated.

2.3 Functional and presentation currency

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

2.4 Financial period

These financial statements cover the financial year from 01 January 2022 to 31 December 2022, with corresponding figures for the financial period from 01 January, 2021 to 31 December, 2021.

2.5 Going concern

The directors have undertaken a review of the Company's business activities and have concluded that the Company will still be able to realise its assets and settle its obligations as they fall due and as such these financial statements have been prepared on the basis applicable to a going concern.

2.6 Significant events and transactions

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

2.7 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

(a) **Judgement**

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

(i) **Cash held with Total Treasury - Note 27**

Determining if balances held with Total Treasury meets the criteria for classification as cash and cash equivalents.

(ii) **Lease term - Note 17 (iv)**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(iii) **Asset retirement obligation - Note 17 (iv)**

Whether the Company will dismantle and remove its leasehold improvements on underlying asset or restore underlying asset.

(b) **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year includes;

(i) **Measurement of defined benefit obligation: Key actuarial assumptions**

The amount recognised in note 12 of the financial statements as employee benefits - measurement of the Company's employee benefits. This estimate relates to the discount rate, withdrawal, mortality and inflation rate applied in the computation of the Company's liabilities.

(ii) **Measurement of Expected Credit Loss (ECL) allowance - Note 30(iv)**

Information about measurement of trade receivables and contract assets: Key assumptions in determining the weighted-average loss rate.

(iii) **Measurement of contingencies - Note 28**

Recognition of contingencies - key assumptions about likelihood and magnitude of an outflow of resources.

(iv) **Incremental borrowing rate - Note 23**

Estimation of the applicable borrowing rates.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

3 New standards and interpretations

Amendments to Standards and Interpretations are effective for annual periods beginning after 1 January 2022 and early application is permitted; however, the Company has not applied the amended standards in preparing these financial statements. Those Amendments to Standards and Interpretations which may be relevant to the Company are set out below.

The directors are of the opinion that the impact of the application of the relevant standards and interpretations will be as follows:

Standard/Interpretation effective as at 31 December 2022		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	<i>Annual Improvements to IFRS Standards 2018–2020</i>	May 2020	1 January 2022 Early adoption is permitted.	<p>IFRS 9 Financial Instruments - This amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.</p> <p>IFRS 16 -Leases - The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive. The amendments are effective from 1 January 2022 but maybe applied earlier. The amendments are not expected to have a significant impact on the Company's financial statements.</p>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>	May 2020	1 January 2022	<p>The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use by management.</p> <p>As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.</p> <p>Companies will therefore need to distinguish between:</p> <ul style="list-style-type: none"> • costs associated with producing and selling items before the item of property, plant and equipment is available for use; and • costs associated with making the item of property, plant and equipment available for its intended use. <p>Making this allocation of costs may require significant estimation and judgement.</p> <p>The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin.</p> <p>The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, plant and equipment made but only to items of property, available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. The amendments are not expected to have a significant impact on the Company's financial statements.</p>
Standard/Interpretation not yet effective as at 31 December 2022		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IAS 1	<i>Classification of liabilities as current or non-current</i>	January 2020	1 January 2023 Early adoption is permitted	<p>Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.</p> <p>There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.</p> <p>The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation.</p> <p>The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted. The amendments are not expected to have a significant impact on the Company's financial statements.</p>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

3 New standards and interpretations not yet adopted (cont'd)

Standard/Interpretation not yet effective as at 31 December 2022	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact	
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>	January 2020	1 January 2023	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material.</p> <p>They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 <i>Making Materiality Judgements</i> to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p>The amendments are not expected to have a significant impact on the Company's financial statements.</p>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>	January 2020	1 January 2023	<p>The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.</p> <p>The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.</p> <p>The amendments are not expected to have a significant impact on the Company's financial statements.</p>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	January 2020	1 January 2023	<p>The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.</p> <p>The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none"> - right-of-use assets and lease liabilities, and - decomposing, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. <p>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.</p> <p>The amendments are not expected to have a significant impact on the Company's financial statements.</p>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4 Significant accounting policies

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

4.1 Foreign currency transactions

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

4.2 Revenue and other income

(i) Revenue recognition

The Company accounts for contracts within the scope of IFRS 15 'Revenue from contracts with customers' when a contract has been approved by both parties, each party's rights have been clearly identified, payment terms have been clearly identified, the contract has commercial substance and it is probable that the Company will collect the consideration it is entitled to for the transfer of refined petroleum products and lubricants to the customer.

Definition of customer

A customer is a party that has contracted with the Company to obtain refined petroleum products and lubricants that are an output of the Company's ordinary activities in exchange for consideration. A counterparty would not be a customer if it has entered into a contract to share in the risk and benefits that result from the activity or process.

Revenue streams

The Company generates revenue primarily from the sale of refined petroleum products and lubricants to its customers (see note 6). Other sources of revenue include sale of special fluids and solar products.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Revenue from the sale of non-regulated products in the course of ordinary activities is measured at the fair value of the received consideration or receivable, net of value added tax, sales returns, trade discounts and volume rebates where applicable. Revenue for regulated products is measured at the regulated price of the products net of standard distribution cost directly recoverable from the prices of the regulated products.

The following table provides information about the timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition policies
Customers obtain control of products when the goods are delivered to and have been accepted at their premises or picked up by the customer. Invoices are generated and revenue is recognised at that point in time. Credit sales are due for collection within 30 days. This applies to all sales products.	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises or picked up by the customer.

Transaction price

Transaction price is the amount allocated to the performance obligations identified in the contract. It represents the amount of revenue recognised as those performance obligations are satisfied. Complexities may arise where a contract includes variable consideration, significant financing component or consideration payable to a customer.

Financing component

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Contract assets and liabilities

The Company recognises contract assets for unbilled revenue from lubricant sales and sales of refined petroleum products. The Company recognises contract liability for consideration received for which performance obligation has not been met.

Disaggregation of revenue from contract with customers

The Company derives revenue from two types of products, lubricants and refined petroleum products. The Company has determined that the disaggregation of revenue based on the criteria of type of products meets the disaggregation of revenue disclosure requirement of IFRS 15.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.2 Revenue and other income (cont'd)

(ii) Other income

The Company recognises income from commission on sales at its bonjour shops as well as the rental of some of its space. The period of occupancy is the basis upon which rental income is recognised and the lease term is usually for 12 months. Rental income are for short term leases and are recognised in profit or loss on a straight line basis over the term of the lease.

4.3 Finance income and finance costs

The Company's finance income comprises interest income on bank balances and advances to employees. Interest income on bank balances and advances to employees, is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on lease liabilities, import loans, bank overdrafts and other staff loans. Interest expenses are recognised in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

4.4 Income taxes

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax movement. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits (i.e the assessable profit after capital allowances (tax depreciation) and brought forward losses (if any) have been considered).
- Tertiary education tax is computed on assessable profits (i.e the profit of the Company that is liable to tax after exempting non-taxable income and subjecting to tax, expenses which were not wholly, reasonably, exclusively or necessarily incurred for the operations of the Company, but before the consideration of capital allowances and losses).
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).
- The National Agency for Science and Engineering Infrastructure (NASeni) levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the year are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

In line with the Finance Act 2021, minimum tax is determined at a base rate of 0.25% (2021: 0.25%) of the qualifying company's gross turnover less franked investment income. The Finance Act defines gross turnover as the gross inflow of economic benefits (cash, revenues, receivables and other assets) arising from the operating activities of a Company, including sales of goods, supply of services, receipt of interest, rents, royalties or dividends.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.4 Income taxes (cont'd)

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and 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.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met. The Company has the legal right to settle current tax amounts on a net basis as the deferred tax amounts are levied by the same tax authority.

Accounting for uncertain tax treatments under IFRIC 23

The Company's judgements with respect to income taxes are based on the likelihoods that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on its tax returns. The Company specifically reviews whether its tax treatments are consistent with requirements and recommendations of tax laws while ensuring its proper coverage of avoidable tax risks and exposures in the process.

The Company measures the impact of the uncertainty using the method that best predicts the resolution of the uncertainty; either the most likely amount method or the expected value method. Furthermore, the judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.5 Earnings per share (EPS)

i Basic earnings per share

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

ii Diluted earnings per share

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

4.6 Property plant and equipment

i Recognition, derecognition and measurement

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

The cost of an item of property, plant and equipment shall be recognised as an asset if;

- it is possible that future economic benefits associates with the item will flow to the entity; and
- the cost of the item can be measured reliably.

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

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

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

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

ii Subsequent costs

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

iii Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

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

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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

Type of asset	Useful lives
• Motor vehicles	5 years
• Office equipment and furniture	4 years
• Computer equipment and other tangibles	4 - 20 years
• Plant, machinery and fittings	3 - 30 years
• Buildings	10 - 25 years
• Land	Not depreciated

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.7 Intangible assets

i Recognition and measurement

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

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

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

ii Subsequent expenditure

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

iii Amortisation of intangible assets

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

Computer software and software licences have estimated useful lives of 3 to 5 years.

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

4.8 Dividend payable

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

Any accrual made in respect of dividend payable is recognised as a deduction from equity.

4.9 Impairment

i Non-derivative financial assets

Financial instruments

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The company also recognises loss allowances for ECLs on employee loan receivables which are disclosed as part of trade and other receivables. (See note 19)

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances, lease and loan receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowance for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company's credit terms to customers vary from 30 days to 90 days depending on the nature of industry, customer preferences and negotiation. Based on the logistics, distribution and operational dynamics of our major customers, the significant increase credit risk threshold is set at 90 days.

The company considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

- balances are over 360 days past due in line with the Company's provisioning matrix.

The Company applies simplified approach to determine impairment of trade receivables. The three-stage model is applied to cash and cash equivalent.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the trade receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the trade receivables and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the trade receivables to arrive at the loss allowance for the year.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.9 Impairment (cont'd)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 360 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

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

4.10 Financial instruments

i Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company does not have any financial assets measured at FVOCI or FVTPL.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.10 Financial instruments (cont'd)

ii Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows.
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at Fair value through OCI (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

The Company has no debt instruments within this category.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose consistent with the company's continuing recognition of the assets.

Financial assets that are held for trading or are merged and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.10 Financial instruments (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost, net of impairment is recognised in the statement of financial position. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not have any financial liabilities measured at FVTPL.

iii Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv Offsetting

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.11 Share capital

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

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

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

4.12 Statement of cash flows

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

4.13 Cash and cash equivalents

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

4.14 Inventories

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

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

The basis of costing inventories based on the product types are as follows:

Product Type	Cost Basis
Refined Petroleum Products (AGO, ATK, PMS, DPK, LPFO)	Weighted Average Cost
Packaging Materials, Solar Lamps, Lubricants, Greases, Special fluids and Car care products	Weighted Average Cost
Inventories-in-transit	Total purchase cost incurred at transaction date

4.15 Provisions

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

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.16 Employee benefits

Post-employment benefit

(a) Defined contribution plan

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

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

(b) Defined benefit plan

i Gratuity scheme

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

ii Other long-term employee benefits

The Company's other long-term employee benefits represents a Long Service Award scheme for a minimum milestone of ten (10) years and the Total home ownership scheme (TEHOS) which is a one-off payment upon tenth anniversary. These schemes are instituted for all permanent employees. The Company's obligations in respect of these schemes are the amounts 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 liability duration of the scheme is estimated at 3.13 years. The Company has compared this with the Macaulay duration of the closest Federal Government of Nigeria bonds as at 30th December 2022 which were 2.91 years with a gross redemption yield of about 13.93% and 3.43 years with a gross redemption yield of about 12.92%. Thus, we adopted a discount rate of 13.5%. The calculation is performed using the Projected Unit Credit method. Remeasurements are recognised in profit or loss in the period in which they arise. This Scheme is not funded. The obligations are paid out of the Company's cash flows as and when due.

iii Termination benefits

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

iv Post-employment medical services

The Company's post-retirement medical coverage is for five (5) years on early retirement or eight (8) years on normal retirement (i.e. at the retirement age of 60 years). This scheme is instituted for all permanent employees and is provided after the completion of employment via the Health Insurance Scheme offered third party providers. The Company's exposure under this arrangement is limited to premium payable to the providers. The benefit is discounted to determine its present value. return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is a result of the Company's objective to ensure underlying cost inflation remains below country headline inflation having considered the weighted average of five (5) years yield 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 which comprise actuarial gains or losses are recognized in other comprehensive income in the period in which they arise. Net interest expense and other expenses related to the post employment benefits are recognised in profit or loss. This Scheme is not funded. The obligations are paid out of the Company's cash flows as and when due.

Other benefits

i Short-term employee benefits

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

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

4.17 Government grant

Petroleum Products Pricing Regulatory Agency (PPPRA) subsidises the cost of importation of certain refined petroleum products whose prices are regulated in the Nigerian market. The subsidies are recognised when there is reasonable assurance that they will be recovered and the Company has complied with the conditions attached to receiving the subsidy. The subsidies are recognised as a reduction to the landing cost of the subsidised petroleum product in the year in which the Company makes the determination that all conditions have been met and the amount will be recovered. Where the amounts relate to interest and foreign exchange differentials, they are recognised in profit or loss when there is reasonable assurance that the amounts will be recovered.

4.18 Operating Profit

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.19 Measurement of fair values

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

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

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

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

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

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

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

4.20 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.20 Leases (cont'd)

ii. As a lessor

The Company leases out trucks to its transporters and these are classified as finance leases.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If ahead lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease and regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other income'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

5 Seasonality and Segment Reporting

Seasonality of Operations

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

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board has given the Company's Chief Executive Officer (CEO) the power to assess the financial performance and position of the Company, allocate resources and make strategic decisions. Segment reports that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Products and services from which reportable segments derive their revenues

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

The following summary describes the operations of each reportable segment.

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

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the current year (2021: nil). Performance is measured based on segment which correspond with IFRS amounts in the Financial Statement.

5.1 Segment profit or loss (key items)

	31 December 2022							
	NETWORK		GENERAL TRADE		AVIATION		TOTAL	
		₦'000		₦'000		₦'000		₦'000
Revenue	47%	226,761,267	39%	188,163,604	14%	67,545,909	100%	482,470,780
- Petroleum products	42%	153,623,477	39%	141,555,644	19%	67,545,909	100%	362,725,030
- Lubricant and others	61%	73,137,790	39%	46,607,960	0%	-	100%	119,745,750
Gross profit	55%	33,101,256	36%	21,666,276	9%	5,416,569	100%	60,184,101
- Petroleum products	45%	12,361,312	35%	9,583,519	20%	5,416,569	100%	27,361,400
- Lubricant and others	63%	20,739,944	37%	12,082,758	0%	-	100%	32,822,702
Finance income	78%	1,782,983	18%	383,680	4%	90,278	100%	2,256,941
Finance costs	76%	(3,990,229)	19%	(1,132,363)	5%	(269,609)	100%	(5,392,201)
Income taxation	10%	(2,524,171)	72%	(4,627,647)	18%	(1,262,086)	100%	(8,413,904)
Impairment loss on trade receivable	72%	(32,151)	-10%	8,038	38%	-	100%	40,189
Depreciation ¹	93%	(4,985,788)	7%	(373,431)	0%	(1,843)	100%	(5,361,062)
Amortisation	62%	(32,136)	37%	(19,178)	1%	(518)	100%	(51,832)
Depreciation of Right-of-use asset	93%	(1,974,334)	7%	(148,606)	0%	-	100%	(2,122,940)

¹The allocated percentage of depreciation in the aviation segment (0.0003%) during the period has been rounded to the nearest whole number.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

5.1 Segment profit or loss (key items) (cont'd)

	31 December 2021							
	NETWORK		GENERAL TRADE		AVIATION		TOTAL	
		₦'000		₦'000		₦'000		₦'000
Revenue	53%	180,897,663	37%	126,287,048	10%	34,131,635	100%	341,316,345
- Petroleum products	49%	125,743,083	37%	95,313,061	13%	34,131,635	100%	255,187,779
- Lubricant and others	64%	55,154,580	36%	30,973,986	0%	-	100%	86,128,566
Gross profit	53%	29,150,154	35%	19,250,102	12%	6,600,035	100%	55,000,290
- Petroleum products	41%	11,810,489	37%	10,737,571	23%	6,600,035	100%	29,148,095
- Lubricant and others	67%	17,339,665	33%	8,512,532	0%	-	100%	25,852,197
Finance income	70%	581,727	27%	232,691	3%	16,621	100%	831,039
Finance costs	65%	(1,150,277)	31%	(566,291)	4%	(53,089)	100%	(1,769,657)
Income taxation	13%	(1,036,545)	61%	(4,863,789)	26%	(2,073,091)	100%	(7,973,425)
Impairment loss on trade receivable	-74%	159,333	174%	(374,648)	0%	-	100%	(215,315)
Depreciation	93%	(4,697,847)	7%	(352,525)	0%	(1,076)	100%	(5,051,448)
Amortisation	92%	(42,986)	6%	(2,803)	2%	(934)	100%	(46,724)
Depreciation of Right-of-use asset	65%	(1,254,211)	35%	(675,345)	0%	-	100%	(1,929,556)

5.2 Segment assets and liabilities

	31 December 2022							
	NETWORK		GENERAL TRADE		AVIATION		TOTAL	
		₦'000		₦'000		₦'000		₦'000
Non-current assets	74%	38,223,862	21%	11,159,035	5%	2,599,100	100%	51,981,996
Current tax assets	54%	533,074	37%	362,607	9%	88,584	100%	984,265
Inventories	54%	32,103,499	37%	21,837,432	9%	5,334,817	100%	59,275,749
Receivables and prepayments	54%	61,118,763	37%	41,574,189	9%	10,156,446	100%	112,849,398
Cash and cash equivalents ¹	47%	38,880,428	39%	32,262,483	14%	11,581,404	100%	82,724,315
ASSETS		170,859,626		107,195,746		29,760,351		307,815,723
Addition to non-current assets	74%	1,788,117	21%	522,021	5%	121,586	100%	2,431,724
Payables, deferred income, employee benefits and current tax liabilities ²	54%	108,235,611	37%	73,624,014	9%	17,986,117	100%	199,845,742
Borrowings ¹	47%	22,438,728	39%	18,619,369	14%	6,683,875	100%	47,741,972
Non-current liabilities (less non-current portion of lease liabilities)	55%	5,063,925	36%	3,314,570	9%	828,643	100%	9,207,138
Lease liabilities	100%	734,061	0%	-	0%	-	100%	734,061
LIABILITIES		136,472,325		95,557,953		25,498,635		257,528,913

	31 December 2021							
	NETWORK		GENERAL TRADE		AVIATION		TOTAL	
		₦'000		₦'000		₦'000		₦'000
Non-current assets	74%	36,435,744	21%	10,637,014	5%	2,477,514	100%	49,550,272
Current tax assets	54%	871,179	37%	592,593	9%	144,769	100%	1,608,541
Inventories	54%	15,815,731	37%	10,758,172	9%	2,628,188	100%	29,202,091
Receivables and prepayments	54%	35,428,697	37%	24,099,299	9%	5,887,384	100%	65,415,381
Cash and cash equivalents ¹	53%	33,364,921	0.37%	23,292,492	10%	6,295,268	100%	62,952,681
ASSETS		121,916,272		69,379,570		17,433,123		208,728,966
Addition to non-current assets	74%	-	21%	-	5%	-	100%	-
Payables, deferred income, employee benefits and current tax liabilities	54%	77,859,223	37%	52,961,391	9%	12,938,303	100%	143,758,917
Borrowings ¹	53%	8,011,906	37%	5,593,217	10%	1,511,679	100%	15,116,802
Non-current liabilities (less non-current portion of lease liabilities)	53%	3,773,980	35%	2,492,252	12%	854,487	100%	7,120,719
Lease liabilities	100%	1,113,223	0%	-	0%	-	100%	1,113,223
LIABILITIES		90,758,332		61,046,860		15,304,468		167,109,661

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

² Payables, deferred income, employee benefits and current tax liabilities are allocated based on the ratio of business activity of individual segments.

5.3 Geographic information

The Company is domiciled in Nigeria. During the year, no products were sold to any of its affiliates in Congo, Cameroon, Niger and Gabon. However, sales was made to TotalEnergies Lubricant within Nigeria.

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

6 Revenue

Revenue generated from the Company's revenue streams are as follows;

	31 December 2022	31 December 2021
	₦'000	₦'000
Petroleum products	362,725,030	255,187,779
Lubricants and others	119,745,750	86,128,566
	482,470,780	341,316,345

The above revenue streams are recognised at a point in time.

7 Cost of sales

	31 December 2022	31 December 2021
	₦'000	₦'000
Net changes in inventory of lubes, greases and refined products	408,521,834	277,395,014
Custom duties	4,491,838	3,480,650
Transport of supplies	9,273,007	5,440,391
	422,286,679	286,316,055

8 Other income and expenses

8. Other income

	31 December 2022	31 December 2021
	₦'000	₦'000
Network income ¹	3,256,614	2,315,892
Gain on disposal of property, plant and equipment	153,569	-
Net foreign exchange gain	71,876	2,162,712
	3,482,059	4,478,604

8.1.2 Other expenses

Loss on disposal of property, plant and equipment	-	101,569
---	---	---------

8. Net foreign exchange gain

	31 December 2022	31 December 2021
	₦'000	₦'000
Foreign exchange impact on trade and other receivables	(5,615,041)	103,452
Foreign exchange impact on trade and other payables	2,096,206	(870,056)
Foreign exchange impact on loans and borrowings	3,750,225	(962,250)
Foreign exchange impact on cash held	(159,514)	3,891,566
	71,876	2,162,712

9 Net finance costs

	31 December 2022	31 December 2021
	₦'000	₦'000
Finance income:		
Interest income		
Interest on deposits for unclaimed dividend	83,028	37,726
Interest on loans	247,747	218,820
Interest on deposits	1,926,166	574,493
<i>Total interest income arising from financial assets measured at amortized cost</i>	2,256,941	831,039
Total finance income	2,256,941	831,039
Finance costs:		
Interest on lease liabilities	(67,431)	(253,742)
Interest on import loans	(3,349,033)	(101,220)
Interest on bank overdrafts	-	(133,296)
Interest on other loans	(1,975,737)	(1,281,399)
Total finance costs	(5,392,201)	(1,769,657)
Net finance costs	(3,135,260)	(938,618)

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

10	Expenses by nature		31 December	31 December
10.1	Selling & distribution		2022	2021
			₦'000	₦'000
	Transport on sales		3,701,516	3,230,780
			<u>3,701,516</u>	<u>3,230,780</u>
10.2	Administrative expenses		31 December	31 December
			2022	2021
			₦'000	₦'000
	Staff costs (Note 10.2.3)		13,076,549	11,063,187
	Depreciation (Note 16)		5,361,062	5,051,448
	Depreciation - Right-of-use asset (Note 17 (i))		2,122,940	1,929,556
	Amortisation of software (Note 15)		51,832	46,724
	Rent ²		162,098	210,572
	Technical assistance and management fees (Note 34.2)		2,557,787	3,623,336
	Maintenance expenses		1,590,759	1,483,570
	Motor fuels and travelling expenses		1,636,228	1,019,560
	Communication, computer and stationery expenses		338,766	368,426
	Directors' remuneration (Note 34.3)		493,329	441,519
	Bank charges		55,312	39,412
	Business promotion and publicity		625,925	628,365
	Rebranding cost ¹		-	377,771
	Other expenses		60,190	79,320
	Security & guarding		381,701	332,734
	Bad debts written off		539,920	41,560
	Fees paid to professional consultants (Note 10.2.2)		2,174,797	1,989,694
	Purchase of consumables		72,633	180,536
	Insurance		353,063	232,061
	Service charge		194,161	180,466
	Levies		175,074	397,204
	Entertainment expenses		102,603	174,416
	Engineering studies		153,051	211,870
	Auditor's Remuneration (Note 10.2.1)		57,513	53,750
			<u>32,337,293</u>	<u>30,157,057</u>
	<i>¹Relates to rent on short-term leases to which practical expedient under IFRS 16 applies.</i>			
10.2.1	Auditor's remuneration		31 December	31 December
	The analysis of auditors' remuneration is as follows:		2022	2021
			₦'000	₦'000
	Statutory audit fees		53,750	53,750
	Total audit fees		53,750	53,750
	Other services ¹		3,763	-
	Total fees		<u>57,513</u>	<u>53,750</u>
	<i>¹Other services relates to professional support provided for transitioning to the newly appointed external auditors.</i>			
10.2.2	Fees paid to professional consultants		31 December	31 December
			2022	2021
			₦'000	₦'000
	Tax services		176,944	125,692
	Information technology services		1,358,990	1,279,874
	Litigation services		107,544	105,331
	Recruitment and remuneration services		3,542	2,943
	Air Total International subrogation fees		94,440	39,775
	Product supply fees and certifications		336,003	355,986
	Other services		97,334	80,093
			<u>2,174,797</u>	<u>1,989,694</u>
10.2.3	Staff costs		31 December	31 December
	The related staff cost amounted to ₦13.08 billion (2021: ₦11.06 billion).		2022	2021
			₦'000	₦'000
	Short term employee benefits			
	- Salaries and wages		9,762,723	8,714,226
	- Staff welfare and training		1,377,760	695,271
	- Other staff expenses		561,144	143,597
	Other long term employee benefits			
	- Pension and social benefit		755,725	668,885
	- Defined benefit plan (Note 12)		551,034	572,663
	Termination benefits		68,163	268,546
			<u>13,076,549</u>	<u>11,063,188</u>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

11 Company Income Tax

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:

Minimum Tax

The Company has applied the provisions of the Companies Income Tax Act and the Finance Act 2021 that mandates a minimum tax assessment, where a tax payer's tax liability based on taxable profit is less than the minimum tax liability. The Company's assessment based on the minimum tax legislations for the year ended 31 December 2022 is nil (31 December 2021: nil) See note 11.1.3.

The Directors believe that the tax liabilities recognised represents best estimate based on their interpretation of the tax law.

11.1.1 Amounts recognised in profit or loss

	31 December 2022	31 December 2021
	₦'000	₦'000
Current tax expenses:		
Company Income Tax (CIT)	5,950,032	5,845,533
Tertiary Education Tax (TET)	816,164	773,261
Capital gains tax	5,898	24
Nigeria Police Trust Fund Levy (NPTF) ¹	1,227	834
National Agency for Science and Engineering Infrastructure Act (NASENI) levy	61,331	62,089
Current year tax expense	6,834,651	6,681,742
Reversal of withholding tax impaired in prior years	(109,145)	(174,398)
	6,725,506	6,507,344
Deferred tax		
Origination and reversal of temporary differences (Note 11.3)	1,688,398	1,466,081
	8,413,904	7,973,425

11.1.2 Reconciliation of effective tax rate

	31 December 2022	31 December 2021
	₦'000	₦'000
Profit before tax	24,532,280	24,835,555
Income tax using the statutory tax rate - 30%	7,359,684	7,450,666
Effect of tertiary education tax rate - 3% (2021: 2.5%)	735,968	620,889
Capital gains tax	5,898	24
Nigeria Police Trust Fund Levy (NPTF)	1,227	834
Non-deductible expenses	(7,099)	(73,381)
Non-taxable income	237,541	9,953
National Agency for Science and Engineering Infrastructure (NASENI) Levy ²	61,331	62,089
Tax incentives	-	88,244
Withholding tax credit notes recovered	(109,145)	(174,398)
Other differences	128,499	(11,495)
	8,413,904	7,973,425
Effective tax rates	52%	47%

¹ The Nigerian Police Trust Fund (Establishment) Act, 2019 imposes a levy of 0.005% of the net profit of companies operating business in Nigeria.

² The National Agency for Science and Engineering Infrastructure (NASENI) Act imposes a levy of 0.25% of the net profit of companies operating business in Nigeria.

11.2 Movement in current tax liability

	31 December 2022	31 December 2021
	₦'000	₦'000
Balance as at 1 January	6,136,740	438,797
Provision for the year (Note 11.1.1)	6,834,651	6,681,742
Payments during the year	(5,483,084)	(275,947)
Withholding tax credit notes	(1,136,567)	(707,852)
Balance as at 31 December	6,351,740	6,136,740

11.2.1 Movement in Withholding tax

	31 December 2022	31 December 2021
	₦'000	₦'000
Balance as at 1 January	1,608,541	1,645,997
WHT credit notes received in the year	512,291	670,396
Withholding Tax used to offset CIT	(1,136,567)	(707,852)
Balance as at 31 December	984,265	1,608,541
Analysed as		
Current	984,265	1,608,541
Non-current	-	-
	984,265	1,608,541
<i>Amount recognised in statement of cashflows</i>	624,276	37,456

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

11.3 Deferred taxation

Deferred tax assets and liabilities are attributable to the following;

	Assets		Liabilities		Net	
	31	31	31	31	31	31
	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	(7,331,055)	(6,810,410)	(7,331,055)	(6,810,410)
Provision for doubtful debts	413,483	520,193	-	-	413,483	520,193
Provision for employee benefits	504,169	377,146	-	-	504,169	377,146
Lease liability/ (ROU asset)	(3,784)	2,602	-	-	(3,784)	2,602
Net unrealised foreign exchange differences	-	-	(1,238,661)	(182,823)	(1,238,661)	(182,823)
Provision for rebranding cost	-	122,775	-	-	-	122,775
	913,868	1,022,716	(8,569,716)	(6,993,233)	(7,655,848)	(5,970,517)

Movement in deferred tax balances during the year;

Balance	Recognised		Balance		Recognised		Balance	
	1 January	in profit or	31	Recognised	Recognised	Recognised	31	
	2021	loss	December	in profit or	in profit or	in OCI	December	
	₦'000	₦'000	2021	loss	loss	₦'000	2022	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	
Property, plant and equipment	(5,102,521)	(1,707,889)	-	(6,810,410)	(520,645)	-	(7,331,055)	
Provision for doubtful debts	416,607	103,586	-	520,193	(106,710)	-	413,483	
Provision for employee benefits	226,668	151,243	(766)	377,145	123,956	3,067	504,168	
Provision for inventory	24,583	(24,583)	-	-	-	-	-	
Lease liability/ (ROU asset)	22,926	(20,324)	-	2,602	(6,386)	-	(3,784)	
Net unrealised foreign exchange difference	(91,933)	(90,889)	-	(182,822)	(1,055,838)	-	(1,238,660)	
Provision for rebranding cost	-	122,775	-	122,775	(122,775)	-	-	
	(4,503,670)	(1,466,081)	(766)	(5,970,517)	(1,688,398)	3,067	(7,655,848)	

Amount recognised in OCI

	Before tax	Tax charge	Net of tax
	₦'000	₦'000	₦'000
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit liability	(9,435)	3,067	(6,368)

11.4 The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 (as amended), the Finance Act 2021, the tertiary education tax charge is based on the Tertiary Education Trust Fund Act, 2011 and the Nigeria Police Trust Fund (Establishment) Act 2019.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

11 Company Income Tax

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:

Minimum Tax

The Company has applied the provisions of the Companies Income Tax Act and the Finance Act 2021 that mandates a minimum tax assessment, where a tax payer's tax liability based on taxable profit is less than the minimum tax liability. The Company's assessment based on the minimum tax legislations for the year ended 31 December 2022 is nil (31 December 2021: nil) See note 11.1.3.

The Directors believe that the tax liabilities recognised represents best estimate based on their interpretation of the tax law.

11.1.1 Amounts recognised in profit or loss

	31 December 2022	31 December 2021
	N'000	N'000
Current tax expenses:		
Company Income Tax (CIT)	5,950,032	5,845,533
Tertiary Education Tax (TET)	816,164	773,261
Capital gains tax	5,898	24
Nigeria Police Trust Fund Levy (NPTF) ¹	1,227	834
National Agency for Science and Engineering Infrastructure Act (NASENI) levy	61,331	62,089
Current year tax expense	6,834,651	6,681,742
Reversal of withholding tax impaired in prior years	(109,145)	(174,398)
	6,725,506	6,507,344
Deferred tax		
Origination and reversal of temporary differences (Note 11.3)	1,688,398	1,466,081
	8,413,904	7,973,425

11.1.2 Reconciliation of effective tax rate

	31 December 2022	31 December 2021
	N'000	N'000
Profit before tax	24,532,280	24,835,555
Income tax using the statutory tax rate - 30%	7,359,684	7,450,666
Effect of tertiary education tax rate - 3% (2021: 2.5%)	735,968	620,889
Capital gains tax	5,898	24
Nigeria Police Trust Fund Levy (NPTF)	1,227	834
Non-deductible expenses	(7,099)	(73,381)
Non-taxable income	237,541	9,953
National Agency for Science and Engineering Infrastructure (NASENI) Levy ²	61,331	62,089
Tax incentives	-	88,244
Withholding tax credit notes recovered	(109,145)	(174,398)
Other differences	128,499	(11,495)
	8,413,904	7,973,425
Effective tax rates	52%	47%

¹ The Nigerian Police Trust Fund (Establishment) Act, 2019 imposes a levy of 0.005% of the net profit of companies operating business in Nigeria.

² The National Agency for Science and Engineering Infrastructure (NASENI) Act imposes a levy of 0.25% of the net profit of companies operating business in Nigeria.

11.2 Movement in current tax liability

	31 December 2022	31 December 2021
	N'000	N'000
Balance as at 1 January	6,136,740	438,797
Provision for the year (Note 11.1.1)	6,834,651	6,681,742
Payments during the year	(5,483,084)	(275,947)
Withholding tax credit notes	(1,136,567)	(707,852)
Balance as at 31 December	6,351,740	6,136,740

11.2.1 Movement in Withholding tax

	31 December 2022	31 December 2021
	N'000	N'000
Balance as at 1 January	1,608,541	1,645,997
WHT credit notes received in the year	512,291	670,396
Withholding Tax used to offset CIT	(1,136,567)	(707,852)
Balance as at 31 December	984,265	1,608,541
Analysed as		
Current	984,265	1,608,541
Non-current	-	-
	984,265	1,608,541
Amount recognised in statement of cashflows	624,276	37,456

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

12 Employee benefits

	31 December 2022	31 December 2021
Long term employee benefits	₦'000	₦'000
Long service awards (Note 12(a))	1,398,931	1,003,659
Home ownership scheme (Note 12(b))	61,350	70,076
	<u>1,460,281</u>	<u>1,073,735</u>
Post employment benefit		
Post employment medical services (Note 12(c))	91,009	84,360
Balance as at 31 December 2022	<u>1,551,290</u>	<u>1,158,095</u>
Analysed as:		
Current	-	7,893
Non-current	1,551,290	1,150,202
	<u>1,551,290</u>	<u>1,158,095</u>

Employee benefits represents the Company's liability for:

- Long service awards - Staff who have attained the milestones for the specified number of years of service in the Company (i.e. 10 years, 15 years and 20 years) are rewarded with cash and gift items as long service awards.
- Home ownership scheme - Under the home ownership scheme, qualifying staff are entitled to a grant which is a one-off payment upon tenth anniversary.
- Post employment medical benefits - A post-retirement medical coverage is extended to ex-staff for five (5) years on early retirement or eight (8) years on normal retirement (i.e. at the retirement age of 60 years) as well as two (2) years for dependent relatives of a deceased staff. The liability duration of this scheme is estimated at 9.72 years.

i. Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

2022	Long service awards	Home ownership scheme	Post employment medical service	Total
	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January	1,003,659	70,076	84,360	1,158,095
Included in profit or loss				
Current service costs	87,106	10,520	-	97,626
Interest cost	122,290	8,568	10,414	141,272
Actuarial gain	322,630	(10,494)	-	312,136
Included in other comprehensive income	532,025	8,594	10,414	551,033
Remeasurement (gain)/ loss:				
- Experience adjustment	-	-	9,435	9,435
	-	-	9,435	9,435
Other				
Benefits paid	(136,753)	(17,320)	(13,200)	(167,274)
	(136,753)	(17,320)	(13,200)	(167,274)
Balance as at 31 December	<u>1,398,931</u>	<u>61,350</u>	<u>91,009</u>	<u>1,551,290</u>
2021	Long service awards	Home ownership scheme	Post employment medical service	Total
	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January	541,483	82,050	84,799	708,332
Included in profit or loss				
Current service costs	67,176	20,525	-	87,701
Interest cost	59,563	9,025	9,328	77,917
Actuarial gain	399,989	7,056	-	407,045
Included in other comprehensive income	526,728	36,606	9,328	572,663
Remeasurement (gain)/ loss:				
- Experience adjustment	-	-	(2,356)	(2,356)
	-	-	(2,356)	(2,356)
Other				
Benefits paid	(64,552)	(48,580)	(7,411)	(120,543)
	(64,552)	(48,580)	(7,411)	(120,543)
Balance as at 31 December	<u>1,003,659</u>	<u>70,076</u>	<u>84,360</u>	<u>1,158,095</u>
			31 December 2022	31 December 2021
			₦'000	₦'000
Amount recognised in profit or loss (Note 10.2.3)			<u>551,034</u>	<u>572,663</u>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

12 Employee benefits (cont'd)

(a) Allocation of employee benefits provisions during the year

Amount recognised in profit or loss (Note 10.2.3)	551,034	572,663
Amount recognised in other comprehensive income	9,435	(2,356)
	560,469	570,307

Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2022	2021
Discount rate		
- Long service awards	13.5%	13.0%
- Home ownership scheme	13.0%	13.0%
- Post employment medical services	13.5%	13.0%
Inflation rate	15.0%	15.0%
Future salary growth	10.0%	10.0%
Benefit increase rate		
- Long service awards	13.0%	13.0%
- Home ownership scheme	6.5%	13.0%
- Post employment medical services	6.5%	13.0%

The Company is exposed to several risks arising from the defined benefits plan. The most significant of which are inflation risk, changes in bond yields and life expectancy.

The assumptions below further depict management's estimate of the likely future experience of the Company.

Demographic assumptions

Withdrawal Rates

	2022	2021
Age band		
Less than or equal to 30	2%	2%
31 – 39	1%	2%
40 – 44	0%	2%
45 – 59	0%	2%

Mortality assumptions

Active Staff

A67/70 UK Tables

Retirees

PA90

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

		2022				
		Long service awards	Home ownership scheme		Post employment medical benefits	
		₦'000	₦'000		₦'000	
Base		1,398,931		61,350		91,009
Discount rate	+1%	1,300,020	+1%	59,952	+1%	84,203
	-1%	1,511,763	-1%	62,812	-1%	98,748
Salary increase rate	+1%	1,418,413	+1%	-	+1%	
	-1%	1,381,064	-1%	-	-1%	
Benefit increase rate	+1%	1,498,963	+1%	-	+1%	93,092
	-1%	1,310,432	-1%	-	-1%	88,984
Mortality	Age Rated up by 1 year	1,391,516	Age Rated up by 1 year	61,321	Age Rated up by 1 year	90,520
	Age Rated down by 1 year	1,405,647	Age Rated down by 1 year	61,374	Age Rated down by 1 year	91,454

		2021				
		Long service awards	Home ownership scheme		Post employment medical benefits	
		₦'000	₦'000		₦'000	
Base		1,003,659		70,076		84,360
Discount rate	+1%	939,564	+1%	68,552	+1%	77,981
	-1%	1,076,166	-1%	71,669	-1%	91,642
Salary increase rate	+1%	1,020,180	+1%	-	+1%	
	-1%	988,467	-1%	-	-1%	
Benefit increase rate	+1%	1,064,174	+1%	-	+1%	86,429
	-1%	949,666	-1%	-	-1%	82,349
Mortality	Age Rated up by 1 year	999,039	Age Rated up by 1 year	70,041	Age Rated up by 1 year	95,492
	Age Rated down by 1 year	1,007,840	Age Rated down by 1 year	70,105	Age Rated down by 1 year	75,070

Although the analysis does not take account of the full distribution of cash flows expected under the schemes, it does provide an approximation of the sensitivity of the assumptions shown.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

13 Dividends

Declared dividends

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

	31 December 2022	31 December 2021
	₦'000	₦'000
Final dividend - Prior year		
₦18.20 per qualifying ordinary share (2021: ₦6.08)	6,179,297	2,063,385
Interim dividend:		
₦4.00 per qualifying ordinary share (2021: ₦4.00)	1,358,087	1,358,087
	<u>7,537,384</u>	<u>3,421,472</u>

13.1 Dividend payable

	31 December 2022	31 December 2021
	₦'000	₦'000
Balance as at 1 January	2,248,093	2,362,882
Final dividend (prior year)	6,179,297	2,063,385
Interim dividend (current year)	1,358,087	1,358,087
	9,785,477	5,784,354
Forfeited dividend (Note 13.1(a))	(92,881)	(26,078)
Dividend paid	(3,677,967)	(3,510,183)
Balance as at 31 December	<u>6,014,629</u>	<u>2,248,093</u>

(a) By the provision of Section 429 of the Companies and Allied Matters Act (CAMA), 2020, where dividends paid by a company remain unclaimed, the company shall publish in two national newspapers, a list of the unclaimed dividends and the names of the persons entitled to the dividends, and attach the list, as published in the national newspapers, to the notice that is sent to the members of the company for each subsequent annual general meeting of the company.

After the expiration of three months of the publication and notice, the company may invest the unclaimed dividend for its own benefit in investments outside the company and no interest shall accrue on the dividends against the company.

However, Section 60 (3) of the Finance Act 2020 provides that dividends of a public limited liability company quoted on the Nigerian Stock Exchange which has remained unclaimed for a period of six years or more from the date of declaring the dividend shall be immediately transferred to the Unclaimed Funds Trust Fund.

14 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share of ₦47.47 (2021: ₦49.66) is based on profit attributable to ordinary shareholders of ₦16.12 billion (2021: ₦16.86 billion), and on the 339,521,837 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year (2021: 339,521,837 ordinary shares).

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

	31 December 2022	31 December 2021
Earnings		
Profit for the year attributable to shareholders (expressed in Naira)	16,118,376,000	16,862,129,647
Number of shares		
Weighted average ordinary shares of 50 kobo each	339,521,837	339,521,837
Basic profit per 50 kobo share (expressed in Naira)	47.47	49.66

The denominators for the purposes of calculating basic earnings per share are based on issued and paid ordinary shares of 50 kobo each as at 31 December 2022.

15 Intangible assets

The movement on these accounts were as follows:

	Computer software and software licensing
	₦'000
Cost	
Balance as at 1 January 2021	576,218
Additions	27,606
Balance as at 31 December 2021	603,824
Balance as at 1 January 2022	603,824
Additions	120,405
Balance as at 31 December 2022	724,229
Amortisation	
Balance as at 1 January 2021	(433,798)
Charge for the year	(46,724)
Balance as at 31 December 2021	(480,522)
Balance as at 1 January 2022	(480,522)
Charge for the year	(51,832)
Balance as at 31 December 2022	(532,354)
Carrying amount	
At 1 January 2021	142,420
At 31 December 2021	123,302
At 31 December 2022	191,875

¹ Amortisation of intangible assets are included in administrative expenses in Profit or Loss. (See note 10.2)

There are no items of intangible assets restricted or pledged as security. There are also no contractual commitments to purchase any items of intangible assets as at year end.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

16 Property, plant and equipment

The movement on these accounts were as follows:

	Land	Buildings	Plant, machinery and fittings	Office equipment and furniture	Computer equipment and other tangibles	Motor vehicles	Capital work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost								
Balance as at 1 January 2021	4,768,062	19,006,757	23,382,339	488,103	14,385,045	3,433,265	6,036,307	71,499,877
Additions	-	1,183	-	25,811	-	1,225,226	7,203,022	8,455,242
Transfers (Note 16.1)	25,044	735,314	2,878,991	20,405	1,191,987	573,723	(6,103,212)	(677,748)
Disposals	(8,778)	(208,933)	(441,631)	(2,329)	(301,905)	(44,953)	-	(1,008,529)
Balance as at 31 December 2021	4,784,328	19,534,321	25,819,699	531,990	15,275,127	5,187,261	7,136,117	78,268,842
Balance as at 1 January 2022	4,784,328	19,534,321	25,819,699	531,990	15,275,127	5,187,261	7,136,117	78,268,842
Additions	115,500	-	84,184	-	-	27,000	8,349,939	8,576,623
Transfers (Note 16.1)	25,429	1,621,337	2,886,185	11,075	1,217,496	712,530	(6,474,052)	-
Disposals	(30,565)	(2,942)	(277,761)	(119)	(52,239)	(73,229)	-	(436,855)
Balance as at 31 December 2022	4,894,692	21,152,716	28,512,307	542,946	16,440,384	5,853,562	9,012,004	86,408,610
Accumulated depreciation and impairment								
Balance as at 1 January 2021	(686,406)	(6,542,353)	(11,703,555)	(478,719)	(13,559,029)	(2,322,161)	-	(35,292,223)
Charge for the year	-	(920,598)	(1,867,402)	(24,566)	(1,706,741)	(532,141)	-	(5,051,448)
Eliminated on disposals	-	72,613	438,283	1,152	252,345	44,953	-	809,346
Balance as at 31 December 2021	(686,406)	(7,390,338)	(13,132,674)	(502,133)	(15,013,425)	(2,809,349)	-	(39,534,325)
Balance as at 1 January 2022	(686,406)	(7,390,338)	(13,132,674)	(502,133)	(15,013,425)	(2,809,349)	-	(39,534,325)
Charge for the year	-	(946,877)	(2,703,266)	(29,283)	(863,921)	(817,715)	-	(5,361,062)
Eliminated on disposal	-	2,425	224,931	119	52,178	73,229	-	352,882
Balance as at 31 December 2022	(686,406)	(8,334,790)	(15,611,009)	(531,297)	(15,825,168)	(3,553,835)	-	(44,542,505)
Carrying amount								
At 1 January 2021	4,081,656	12,464,404	11,678,784	9,384	826,016	1,111,104	6,036,307	36,207,654
At 31 December 2021	4,097,922	12,143,983	12,687,025	29,857	261,702	2,377,912	7,136,117	38,734,517
At 31 December 2022	4,208,286	12,817,926	12,901,298	11,649	615,216	2,299,727	9,012,004	41,866,105

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

16.1 Transfers represent additions to other categories of PPE as well as from prior year's work-in-progress as they become completed.

Capital work in progress (CWIP) items include construction and other tangible asset awaiting completion. Major additions relate to upgrade of depot, acquisition of computer hardware, generators, motor vehicles, upgrade of information technology infrastructure, structural and civil upgrade of stations as well as integrity test of multi-product pipeline. Included in transfers out of CWIP are intangible items and right-of-use assets for which lease arrangements were finalised.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

17 Company as a lessee (IFRS 16)

The Company leases service stations, storage facilities and staff buses. Service station leases typically run for a period of 10 years, with an option to renew the lease after that date. Option to renew is not legally enforceable as it is not unilateral and requires the consent of both parties. See note 17 (iv). Storage facilities leases runs for 5 years. Staff bus leases typically run for 5 years which is the useful life of the asset.

Service station leases entered into are usually combined leases of land and buildings. The Company leases residential spaces with contract terms of one year. These leases are short term. The renewal option of these residential spaces are mostly at the sole instance of the Company. The renewal of these spaces is based on them fulfilling the business needs of the Company per time. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases. Lease payments on these short-term leases are recognised as expense on a straight-line basis over the lease term. Information about leases for which the Company is a lessee is presented below:

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as a separate line item on the statement of financial position.

	Leasehold buildings	Motor vehicles	Storage facilities	Total
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance as at 1 January 2021	9,830,429	993,971	756,609	11,581,009
Additions	1,005,508	610,458	-	1,615,966
Disposals	(86,675)	-	-	(86,675)
Balance as at 31 December 2021	10,749,262	1,604,429	756,609	13,110,300
At 1 January 2022	10,749,262	1,604,429	756,609	13,110,300
Additions	2,199,045	-	-	2,199,045
Balance as at 31 December 2022	12,948,307	1,604,429	756,609	15,309,345
Accumulated depreciation and impairment				
Balance as at 1 January 2021	(2,619,110)	(620,904)	(151,156)	(3,391,170)
Charge for the year	(1,517,438)	(261,186)	(150,932)	(1,929,556)
Eliminated on disposals	72,604	-	-	72,604
Balance as at 31 December 2021	(4,063,944)	(882,090)	(302,088)	(5,248,122)
At 1 January 2022	(4,063,944)	(882,090)	(302,088)	(5,248,122)
Charge for the year	(1,691,787)	(280,078)	(151,075)	(2,122,940)
Balance as at 31 December 2022	(5,755,731)	(1,162,168)	(453,163)	(7,371,062)
Carrying amount				
At 1 January 2021	7,211,319	373,067	605,453	8,189,839
At 31 December 2021	6,685,318	722,339	454,521	7,862,178
At 31 December 2022	7,192,576	442,261	303,446	7,938,283

ii. Amounts recognised in profit or depreciation

	2022	2021
	₦'000	₦'000
	(2,122,940)	(1,929,556)

iii. Amounts recognised in statement of cash flows

	2022	2021
	₦'000	₦'000
Additions to right-of-use assets	(2,199,045)	(1,615,966)

Extension options

The Company's service station lease agreements contain extension options exercisable by the Company. Where practicable, the Company seeks to include extension options in its leases to provide operational flexibility. The extension options held are exercisable only by the Company but require the consent of the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options because the Company usually prepays its station leases for about 7 -10 years and due to the fact that the decision to renew is usually based on the results of an economic evaluation of each individual service station's performance to determine if it is financially viable to extend the lease. The directors have concluded that it is not reasonably certain at commencement of the leases to determine whether or not the leases will be renewed.

The Company has estimated that there are no potential future lease payments as its current assessment is that it is not probable that the lease extension option would be exercised.

The Company also estimates that obligations arising from termination of the lease are insignificant as moveable assets are reassigned to other locations at minimal transport costs while immovable assets are expected to be fully depreciated at the end of the lease term.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

18 Inventories

Inventories comprise:

	31 December 2022	31 December 2021
	N'000	N'000
Raw materials	23,090,221	5,832,179
Goods in transit	9,042,804	8,339,963
Finished goods	26,514,477	14,620,711
Consumable equipment and spares	628,247	409,238
	59,275,749	29,202,091

In 2022, inventories amounting N408.52 billion (2021: N277.40 billion) were recognised as an expense during the year and included in 'cost of sales'.

No item of inventory was pledged as securities for liabilities during the year.

(a) Reconciliation of changes in inventory to statement of cashflows is as follows:

	31 December 2022	31 December 2021
	N'000	N'000
Balance at 1 January	29,202,091	21,619,936
Balance at 31 December	(59,275,749)	(29,202,091)
(Write back)/ net write down of inventory (See note 18.1)	160,202	101,993
<i>Amount recognised in statement of cashflows</i>	(29,913,456)	(7,480,162)

18.1 Movement in write down of inventories

	31 December 2022	31 December 2021
	N'000	N'000
Balance as at 1 January	467,774	569,767
Write down of inventory ¹	165,512	72,213
Reversal of write downs from previous periods ²	(325,714)	(174,206)
Balance as at 31 December	307,572	467,774

¹During the year, amounts of N165.51 million were written down and recognised in cost of sales. (2021: N72.21 million)

²Reversal of provision no longer required.

19 Trade and other receivables (Current)

	31 December 2022	31 December 2021
	N'000	N'000
Customers account	40,676,792	26,736,035
Due from related parties (Note 34.2)	679,748	1,340,405
Total trade receivables¹	41,356,540	28,076,440
Financial assets		
Net investment in finance lease (Note 19.1.1)	66,686	119,905
Advance on letters of credit	12,041,111	-
Bridging claims ²	19,353,265	12,931,278
Unclaimed dividends ³	1,708,263	1,632,946
Employee loans and receivables	3,984,588	1,246,204
Advance to supplier	31,860,580	17,399,246
Other receivables	1,020,788	2,560,428
Total other receivables	70,035,281	35,890,007
	111,391,821	63,966,447

¹Amount presented above is net of impairment, refer to note 30(iv) for more information on impairment.

²See note 30(iv) for more information on bridging claims.

³This relates to portion of unclaimed dividend currently held by the Company Registrars.

19.1 Trade and other receivables (Non-current)

Non-current portion of trade and other receivables comprise:

	31 December 2022	31 December 2021
	N'000	N'000
Employee receivables ³	644,853	207,479
Net investment in finance lease (Note 19.1.1) ¹	309,089	555,758
Advance for PPE ²	1,031,791	199,788
	1,985,733	2,830,275

¹Amount represents the sum of net investment in finance lease between one and five years and more than five years. (See note 19.1.1)

²Amount represents advance to suppliers relating to procurement of PPE.

³Amount represents loan receivables due from employees which are not considered due within twelve (12) months.

(a) Reconciliation of changes in trade and other receivables to statement of cashflows is as follows:

	31 December 2022	31 December 2021
	N'000	N'000
Balance at 1 January (current)	63,966,447	41,335,763
Balance at 1 January (non-current)	2,830,275	2,326,547
Balance at 31 December (current)	(111,391,821)	(63,966,447)
Balance at 31 December (non-current)	(1,985,733)	(2,830,275)
Foreign exchange impact on trade and other receivables (See note 8.2)	(5,615,041)	103,452
<i>Amount recognised in statement of cashflows</i>	(52,195,873)	(23,030,960)

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

19.1.1 Finance lease receivable

The Company leases transport equipment to some of its transporters under a finance lease arrangement. The lease term is between three to five years, with options to extend. The finance lease receivables at the end of the reporting year are neither past due nor impaired. The carrying amount of the finance lease receivables approximates their fair value and may be analysed as follows:

	31 December 2022	31 December 2021
	N'000	N'000
Gross investment in finance lease receivable	412,456	741,618
Unearned finance income	(36,681)	(65,955)
Net investment in finance lease	375,775	675,663
	31 December 2022	31 December 2021
	N'000	N'000
Current:		
Less than one year (note 19)	66,686	119,905
Non current:		
Between one and five years (note 19.1)	223,473	401,816
More than five years	85,616	153,942
	375,775	675,663

19.1.2 Leases as lessor

The Company has lease arrangements with its transporters consisting of leased trucks. These leases are classified as a finance lease.

(i) Finance lease

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	31 December 2022	31 December 2021
	N'000	N'000
Less than one year	77,430	139,223
One to two years	246,027	442,370
More than five years	88,999	160,025
Total undiscounted lease receivable	412,455	741,618
Unearned finance income	(36,681)	(65,955)
Net investment in the lease	375,774	675,663

20 Prepayments

	31 December 2022	31 December 2021
	N'000	N'000
Current		
Prepaid rent*	44,997	46,308
Prepaid insurance	-	224,212
Employee	1,412,580	1,178,414
Total advances pre payments	1,457,577	1,448,934

*Prepaid rent are short-term leases for which the company has elected not to recognise as

ROU asset

(a) Reconciliation of changes in prepayments to statement of cashflows is as follows:

	31 December 2022	31 December 2021
	N'000	N'000
Balance at 1 January	1,448,934	1,808,200
Balance at 31 December	(1,457,577)	(1,448,934)
Amount recognised in statement of cashflows	(8,643)	359,266

21 Loans and other borrowings

Current borrowings

	31 December 2022	31 December 2021
	N'000	N'000
Short term intercompany loan	11,304,750	7,687,924
Trade finance loan	36,437,222	7,428,878
Total borrowings	47,741,972	15,116,802

22 Lease liabilities

Non-current

	31 December 2022	31 December 2021
	N'000	N'000
Current portion of lease liabilities	372,634	565,109
Total lease liabilities	734,061	1,113,223

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

23 Movement of liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Bank overdrafts	Other loans and borrowings	Lease liabilities	Total
	₦'000	₦'000	₦'000	₦'000
Balance at 1 January 2022	-	15,116,802	1,113,223	16,230,025
Changes from financing cash flows				
Additional borrowings	-	180,067,428	-	180,067,428
Repayment of borrowings	-	(143,692,033)	-	(143,692,033)
Payment of lease liabilities	-	-	(453,906)	(453,906)
Total changes from financing cash flows	-	36,375,395	(453,906)	35,921,489
The effect of changes in foreign exchange rates	-	(3,750,225)	-	(3,750,225)
Other changes				
Change in bank overdraft	-	-	-	-
New leases	-	-	74,744	74,744
Interest paid	-	(3,340,603)	(67,431)	(3,408,034)
Interest unpaid	-	(1,984,167)	-	(1,984,167)
Interest expense	-	5,324,770	67,431	5,392,201
Total liability related other changes	-	-	74,744	74,744
Balance at 31 December 2022	-	47,741,972	734,061	48,476,033
Balance at 1 January 2021	5,741,297	26,873,026	1,013,086	33,627,409
Changes from financing cash flows				
Additional borrowings	-	4,867,766	-	4,867,766
Repayment of borrowings	-	(17,586,240)	-	(17,586,240)
Payment of lease liabilities	-	-	(78,090)	(78,090)
Total changes from financing cash flows	-	(12,718,474)	(78,090)	(12,796,564)
The effect of changes in foreign exchange rates	-	962,250	-	962,250
Other changes				
Change in bank overdraft	(5,741,297)	-	-	(5,741,297)
New leases	-	-	178,227	178,227
Interest paid	(133,296)	(1,382,619)	(253,742)	(1,769,657)
Interest expense	133,296	1,382,619	253,742	1,769,657
Total liability- related other changes	(5,741,297)	-	178,227	(5,563,070)
Balance at 31 December 2021	-	15,116,802	1,113,223	16,230,025

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

- Bank overdrafts are repayable on demand. There were no bank overdrafts this year. The actual average interest rate on bank overdrafts for 2021 was approximately 6.36% per annum. This was determined based on banks' cost of funding plus lenders' mark-up. Overdrafts are neither guaranteed nor is any collateral given on the balances.
- Trade finance loan represents short term borrowings obtained to fund letters of credits for product importation. The interest charged on these loans vary depending on the LIBOR or SOFR. The interest rate on these loans are usually between 6% to 9.5%.
- TotalEnergies Marketing Nigeria Plc established a ₦30 billion commercial paper programme under which the company may from time to time issue Commercial Paper Notes, as may be agreed between the Arranger and the Issuer, in separate series or tranches. There is currently no issuance.
- Short term intercompany loan represents an unsecured revolving loan facility with maximum cumulative draw down capped at \$300 million from TotalEnergies Upstream Nigeria Limited with a tenor of 1 year at daily compounded SOFR + 6.5%
- The carrying amount of current borrowings is a reasonable approximation of fair value as at 31 December, 2022.

a. Terms and repayment schedule

The terms and conditions of loans and borrowings are as follows;

Currency	Nominal interest rate	Year of maturity	31 December 2022		31 December 2021	
			Face value	Carrying amount	Face value	Carrying amount
			₦'000	₦'000	₦'000	₦'000
Lease liabilities	NGN 16%	2020 - 2022	873,882	734,061	1,255,751	1,113,223
Short term intercompany	USD Variable	2022	11,304,750	11,304,750	7,687,924	7,687,924
Trade finance loan	NGN Variable	2022	36,437,222	36,437,222	7,428,878	7,428,878
			48,615,854	48,476,033	16,372,553	16,230,025

The Company has discounted lease liabilities using incremental borrowing rate of 16% (2021: 11.35%) which represents the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. There was no need to reassess the incremental borrowing rate in 2022.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

24 Trade and other payables	31 December 2022 ₦'000	31 December 2021 ₦'000
Trade payables :		
Amount due to related companies (note 34.2)	64,982,405	78,701,103
Trade creditors	12,926,285	11,040,409
Bridging contribution ¹	17,045,291	11,966,778
Payable to Petroleum Support Fund	104,581	629,274
	<u>95,058,562</u>	<u>102,337,564</u>
Other payables:		
Sundry creditors	35,974,830	14,715,133
Security deposits ²	5,427,095	2,266,957
Accrued liabilities ³	47,423,872	12,860,307
Dividend payable (note 13.1)	6,014,630	2,248,094
Pay As You Earn (PAYE)	164,398	71,441
Staff pension	27,783	45,797
	<u>95,032,608</u>	<u>32,207,729</u>
Total trade and other payables	<u>190,091,170</u>	<u>134,545,293</u>

¹Amount payable to PEF with respect to bridging activities on imported products. See note 30(iv) for more information.

²Amount relates to collateral deposits paid by dealers who maintain credit facilities with the Company.

³Accrued liabilities principally comprise accrual for product bills and other charges for which invoices were not yet received at the end of the year.

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

The Directors consider that the carrying amount of trade payables as at 31 December 2022 approximates their fair value.

Information about the Company's exposure to currency and liquidity risks is included in note 30(iii).

(a) Reconciliation of changes in trade and other payables to statement of cashflows is as follows:

	31 December 2022 ₦'000	31 December 2021 ₦'000
Balance at 1 January	(134,545,293)	(73,485,400)
Balance at 31 December	190,091,170	134,545,293
Movement in dividend payable (See note 13.1)	(3,766,536)	114,789
Foreign exchange impact on trade and other payables (See note 8.2)	2,096,206	(870,056)
Amount recognised in statement of cashflows	<u>53,875,547</u>	<u>60,304,627</u>

25 Deferred income	31 December 2022 ₦'000	31 December 2021 ₦'000
Contract liabilities	3,402,832	3,068,991
	<u>3,402,832</u>	<u>3,068,991</u>

(a) Reconciliation of changes in deferred income to statement of cashflows is as follows:

	31 December 2022 ₦'000	31 December 2021 ₦'000
Balance at 1 January	(3,068,991)	(2,698,297)
Balance at 31 December	3,402,832	3,068,991
Amount recognised in statement of cashflows	<u>333,841</u>	<u>370,694</u>

The deferred income represents amounts billed and collected in accordance with contractual terms in advance of when the goods are delivered or services rendered. These advance payments primarily relate to the rental income and contract liabilities. Contract liabilities primarily relate to the advance consideration received from customers for the sale of goods, for which revenue is recognised once the goods are delivered and have been accepted in the customers premises or picked up by the customer. The Company estimates this will be earned as revenue during the subsequent financial years.

26 Share capital	31 December 2022 ₦'000	31 December 2021 ₦'000
Authorised, Issued and fully paid:		
339,521,837 ordinary shares of 50 kobo each	169,761	169,761

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

27 Cash and cash equivalents	31 December 2022 ₦'000	31 December 2021 ₦'000
Bank and cash balances	54,208,089	62,740,500
Cash on hand	9,022	8,143
Cash balances with TotalEnergies Treasury (note 34.2)	28,507,205	204,038
Cash & cash equivalents in statement of financial position	<u>82,724,315</u>	<u>62,952,681</u>
Cash & cash equivalents in statement of cash flows	<u>82,724,315</u>	<u>62,952,681</u>

The Company classifies amounts held with TotalEnergies Treasury as cash and cash equivalents because they can be withdrawn at anytime without penalties.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

28 Commitments and contingent liabilities

Financial commitments

The Company did not restrict or deposit any of its assets to secure liabilities of third parties.

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

	31 December 2022	31 December 2021
	₦'000	₦'000
Bonds		
Total commitments given	3,000,000	3,000,000
Total commitments received	1,800,000	250,000

Commitments given primarily include guarantee to Pipelines and Products Marketing Company Limited (PPMC) for bulk purchase of petroleum products. No losses are anticipated in respect of these.

Commitments received include customers' guarantees.

Commitments received and given are held with local banks.

At 31 December 2022, the Company had contractual commitments (given) for the acquisition of property, plant and equipment amounting to N1.4 billion (2021: N1.00 billion).

Contingent liabilities

There are contingent liabilities in respect of legal actions against the Company amounting to approximately N1.257 trillion (2021: N1.257 trillion). The Directors have not made provisions for these contingent liabilities as consultations have been made with the in-house legal team led by Olubunmi Popoola-Mordi - (FRC/2013/ICSAN/00000002042). The in-house legal team holds regular discussions and obtains expert opinion from the Company's external solicitors (on a need basis). Based on all information available as at date of issue of these financial statements (including historical reference of these cases). The directors, based on the advice of the in-house legal team have concluded that no material losses will crystallise against the Company.

29 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of its debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 21, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

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

Gearing ratio

Gearing ratio is net debt to equity ratio.

	31 December 2022	31 December 2021
	₦'000	₦'000
Borrowings (note 21)	47,741,972	15,116,802
Cash and cash equivalents (note 27)	(82,724,315)	(62,952,681)
Lease liabilities (note 22)	734,061	1,113,223
Net debt (calculated)	(34,248,282)	(46,722,656)
Net debt (restricted to a minimum of zero)	-	-
Equity	50,286,810	41,619,305
Net debt to equity ratio	0:1	0:1

Net debt is expressed as an aggregate of lease liabilities, long and short-term borrowings less cash and cash equivalents. The net debt applied in determining the net debt to equity ratio has been restricted to a minimum of zero. The negative position of the calculated net debt is as a result of increased cash and cash equivalent position during the year.

Equity includes all capital and reserves of the Company that are managed as capital.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

30 Financial risk management

(i) Financial risk management objectives

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

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

(ii) Market risk

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

Interest rate risk management

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

Interest rate risk

Sensitivity analysis

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

	31 December 2022 ₦'000	31 December 2021 ₦'000
Variable rate instruments		
Borrowings (note 21)	47,741,972	15,116,802
	47,741,972	15,116,802

Sensitivity analysis for variable rate instruments

A reasonable possible change of 1000 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	31 December 2022 ₦'000	31 December 2021 ₦'000
Effect of 10% increase on interest rates (2021: 10%)	(4,774,197)	(1,511,680)
Effect of 10% decrease on interest rates (2021: 10%)	4,774,197	1,511,680

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

30 Financial Risk Management (cont'd)

Currency risk management

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective currencies of the Company. The functional currency of the Company is the Nigerian Naira. The Company also transacts in United States Dollars (USD), Euros and Swiss Franc (CHF).

A movement in the exchange rate either positively or negatively by 30 percent is illustrated below. Such movements would have increased (decreased) the profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables, in particular interest rates, remain constant.

As at 31 December 2022

	Foreign currency '000	Naira balance '000	Exchange rate*	Effect of increase/decrease in exchange rate	₦'000
Trade receivables					
USD	2,022	914,328	452.19	'30%	274,298
Cash deposits					
USD	65,414	29,579,557	452.19	'30%	8,873,867
EURO	658	313,636	476.65	'30%	94,091
Trade payables					
USD	(27,121)	(12,263,845)	452.19	'30%	(3,679,153)
EURO	(1,041)	(496,193)	476.65	'30%	(148,858)
CHF	(98)	(43,786)	446.80	'30%	(13,136)
Net impact on profit or loss					
USD	40,315	18,230,040	452.19	30%	5,469,011
EURO	(383)	(182,557)	476.65	30%	(54,768)
CHF	(98)	(43,786)	446.80	30%	(13,136)

As at 31 December 2021

	Foreign currency '000	Naira balance '000	Exchange rate	Effect of increase/decrease in exchange rate	₦'000
Trade receivables					
USD	4,938	2,022,062	409.49	'30%	606,618
Cash deposits					
USD	3,971	1,626,085	409.49	'30%	487,825
EURO	86	39,826	463.09	'30%	11,948
Trade payables					
USD	(85,001)	(34,807,059)	409.49	'30%	(10,442,118)
EURO	(2,365)	(1,095,208)	463.09	'30%	(327,451)
CHF	(91)	(40,659)	446.80	'30%	(12,198)
Net impact on profit or loss					
USD	(76,092)	(31,158,913)	409.49	30%	(9,347,675)
EURO	(2,279)	(1,055,382)	463.09	30%	(316,616)
CHF	(91)	(40,659)	446.80	30%	(12,198)

A decrease in exchange rate by 30 percent (2021: 30 percent) against the above currencies at the reporting year would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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

The following exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2022	2021	2022	2021
USD	444.92	402.34	452.19	409.49
EURO	467.45	472.27	476.65	463.09
CHF	442.21	446.80	446.80	446.80

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

(iii) Liquidity risk management

Liquidity risk tables

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 following tables detail the Company's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The contractual cashflows are gross and undiscounted and include contractual interest payments.

		Contractual cashflows					
		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year
		N'000	N'000	N'000	N'000	N'000	N'000
31 December 2022							
Borrowings	(Note 21)	47,741,972	47,741,972	-	11,304,750	36,437,222	-
Trade payables	(Note 24)	95,058,562	95,058,562	12,926,285	65,086,986	17,045,291	-
Other payables ¹	(Note 24)	94,444,881	94,444,881	33,767,995	31,727,000	28,949,886	-
Lease liabilities	(Note 22)	734,061	828,044	-	-	420,343	407,701
		237,979,476	238,073,459	46,694,280	108,118,735	82,852,742	407,701
31 December 2021							
Borrowings	(Note 21)	15,116,802	15,116,802	-	7,687,924	7,428,878	-
Trade payables	(Note 24)	102,337,564	102,337,564	11,040,409	79,330,377	11,966,778	-
Other payables ¹	(Note 24)	31,901,982	31,901,982	11,406,293	10,716,877	9,778,812	-
Lease liabilities	(Note 22)	1,113,223	1,255,751	-	-	637,461	618,290
		150,469,571	150,612,098	22,446,702	97,735,178	29,811,929	618,290

¹The amount of other payables does not include statute-based deductions (Pay As You Earn tax, Withholding tax and Value Added Tax payables).

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

Financing facilities

Unsecured bank loans which are revolving trade loans with a tenure of one year and overdrafts payable at call are reviewed annually. Commercial papers are unsecured instruments which are payable at the expiration of their tenure.

	2022	2021
	N'000	N'000
Amount used	36,437,222	7,428,878
Amount unused	62,562,778	96,071,122
Total facilities	<u>99,000,000</u>	<u>103,500,000</u>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

(iv) Credit risk management

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

The Company obtains bank guarantees in its favour for transactions with certain customers. These guarantees are held with Nigerian banks as a form of security in the event of a default.

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

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

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

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

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

Cash and cash equivalents

The Company held cash and cash equivalents of ₦64.72 billion (net of cash on hand) at 31 December 2022 (2021: ₦55.27 billion) with banks and financial institutions with high credit ratings, rated B to AAA based on the Fitch rating agency and TotalEnergies treasury.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company did not record any ECL impairment for the year. (2021: Nil).

Trade and other receivables

A summary of the Company's exposure to credit risk for trade receivables is as follows:

As at 31 December 2022

	Not Credit Impaired	Credit Impaired	Total
	₦'000	₦'000	₦'000
Trade receivables	42,158,180	801,640	41,356,540

As at 31 December 2021

	Not Credit Impaired	Credit Impaired	Total
	₦'000	₦'000	₦'000
Trade receivables	29,388,862	1,312,422	28,076,440

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

The maximum exposure to financial assets at the reporting date by type of counterparty was:

	31 December 2022	31 December 2021
	N'000	N'000
Customers	40,676,792	26,736,035
Due from related parties	679,748	1,340,405
Due from regulators (Government entities)	19,353,265	12,931,278
Other receivables	1,020,788	2,560,428
Trade and other receivables (Non-current)	1,985,733	2,830,275
Cash and cash equivalent (Note 27)	82,715,294	62,944,538
	146,431,620	109,342,959

Due from related parties

The Company has transactions with its parent and other related parties who are related to the Company by virtue of being members of the Total Group. In the directors' view, all amounts are collectible. Related party receivable balances were assessed for ECL impairment, in accordance with IFRS 9. This assessment is performed together with the trade receivables balances from other customers as at year end.

Due from regulators

This comprises amount due from PPPRA with respect to subsidies/PSF receivables on imported products as well as amounts receivable from PEF with respect to bridging claims. There is no loss experience with government receivables as the determination of amounts due are based on existing regulations/ guidelines and impairment is only recognised when changes occur in the regulations/ guidelines that prohibit or limit recovery of previously recognised amounts. Therefore, the Company has recorded no loss experience with government receivable as this is always deemed receivable and the settlement pattern of the government is not defined or definite.

Other receivables

Other receivables include finance lease receivables, staff debtors and other sundry receivables. The Company reviews the balances due from this category on a yearly basis taking into consideration factors such as continued business/employment relationship. Where such does not exist, the amounts are impaired. Other receivables were assessed for impairment in accordance with IFRS 9.

The finance lease receivables represent amounts due from transporters and these receivables are offset against payments due to them for transport services provided. They are not considered to be impaired as they are receivable based on timelines stipulated in the contracts.

Expected credit loss assessment for customers

The Company has adopted the use of the simplified approach in computing impairment of trade receivables using the allowance matrix to measure the Expected Credit Loss (ECL) of trade receivables from individual customers and related parties.

In arriving at the impairment amounts, the trade receivables are segmented based on the aging characteristics of the receivables and the applicable loss rates are applied to the respective trade receivables category.

After an assessment of the economic realities in Nigeria, loss rates for the year were based on actual credit loss experience on a customer by customer basis over the past three years using the lifetime expected credit loss approach. Therefore, the historical loss rates have been applied to the trade-receivables balances in the calculation of the impairment loss. The Company also considered internal and external forward-looking information such as macro-economic indices as the Gross Domestic Product growth rate and specific customer repayment outlooks based on discussions with and commitments from its customers as well as knowledge of the industry.

Based on the above, loss rates on receivables that were calculated using a single default rate approach. The single default or loss rate approach is the amount that is expected to be written-off in each bucket (balances that are over 360 days past due in line with the Company's provisioning matrix) and divided by the relevant total unpaid balances included in each ageing bucket.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers and amounts due from related parties as at 31 December 2022.

31 December 2022	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		N'000	N'000	
Current (not past due)	0.38%	38,954,633	149,178	No
1 - 30 days past due	6.90%	1,987,582	137,211	No
31 - 60 days past due	15.64%	464,950	72,725	No
61 - 180 days past due	20.72%	165,680	34,335	No
180 - 360 days past due	15.81%	210,403	33,259	No
More than 360 days past due	100.00%	374,932	374,932	Yes
		42,158,180	801,640	

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		₦'000	₦'000	
Current (not past due)	0.47%	25,473,996	120,695	No
1 - 30 days past due	45.20%	1,648,994	745,309	No
31 - 60 days past due	27.45%	516,852	141,898	No
61 - 180 days past due	11.11%	259,999	28,893	No
180 - 360 days past due	40.11%	255,774	102,593	No
More than 360 days past due	14.03%	1,233,247	173,034	Yes
		29,388,862	1,312,422	

Expected credit loss assessment for employee receivables

31 December 2022	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		₦'000	₦'000	
Current (not past due)	0.00%	4,629,441	-	No
		4,629,441	-	

31 December 2021	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		₦'000	₦'000	
Current (not past due)	0.00%	3,320,933	-	No
		3,320,933	-	

Loss rates are based on actual credit loss experience over the past six years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the year over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

In current year, no impairment has been recognised on employee loan receivables as amounts due are backed by collateral which include international shares, in-house pension schemes etc. that ensure the Company will be able to recover the debts from its employees.

Movements in the allowance for impairment in respect of trade receivables.

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

	Individual impairments	
	31 December 2022	31 December 2021
	₦'000	₦'000
Balance at 1 January	1,594,034	1,378,719
Reversal of impairment	(876,080)	(237,270)
Net remeasurement of loss allowance	835,891	452,585
Balance at 31 December	1,553,845	1,594,034
Amount recognised in profit or loss:		
Reversal of impairment	(876,080)	(237,270)
Net remeasurement of loss allowance	835,891	452,585
Impairment (loss)/ reversal on trade receivables	(40,189)	215,315

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

31 Classification of financial instruments

(a) Accounting classifications and fair values

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

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

31 December 2022

	Financial assets at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial assets not measured at fair value		
Trade and other receivables (note 19) ¹	80,485,183	80,485,183
Cash and cash equivalents (note 27)	82,724,315	82,724,315
	163,209,498	163,209,498

	Financial liabilities at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial liabilities not measured at fair value		
Borrowings (note 21)	47,741,972	47,741,972
Trade and other payables (note 24) ²	189,503,443	189,503,443
	237,245,415	237,245,415

As at 31 December 2021

	Financial assets at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial assets not measured at fair value		
Trade and other receivables (note 19) ¹	49,197,688	49,197,688
Cash and cash equivalents (note 27)	62,952,681	62,952,681
	112,150,369	112,150,369

	Financial liabilities at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial liabilities not measured at fair value		
Borrowings (note 21)	15,116,802	15,116,802
Trade and other payables (note 24) ²	134,239,546	134,239,546
	149,356,348	149,356,348

¹Trade and other receivables excludes advance to suppliers and PPE.

²Trade and other payables excludes statute based deductions.

32 Assets pledged as security

As at the year ended 31 December 2022 there were no assets pledged as security (2021: nil).

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

33 Events after the reporting date

There were no events after the reporting date that could have a material effect on the financial position of the Company at 31 December 2022 and on the result for the year ended on that date that have not been taken into account in these financial statements.

34 Related party transactions

As at the period ended 31 December 2022, the Parent Company TotalEnergies Marketing Services (incorporated in France) owned 61.72% of the issued shares of TotalEnergies Marketing Nigeria Plc. The Parent and Ultimate controlling entity is TotalEnergies S.A (incorporated in France).

34.1 Transactions with related parties

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

	Sale of goods		Purchase of goods		Others	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Total Outre Mer	-	-	85,637,485	116,831,437	1,933,699	3,141,954
TotalEnergies E&P Nigeria	3,270,451	4,788,865	-	-	-	-
TotalEnergies Upstream Nigeria Limited	-	-	-	-	1,294,081	1,037,966
Total Lubricants	205,439	149,803	-	-	-	-
TotalEnergies Supply Marketing Services	-	-	481,939	45,449	-	-
Rades	-	-	-	-	25,288	-
TotalEnergies marketing middle east	-	-	719,754	205,598	-	-
TotalEnergies Learning Solutions	-	-	-	17,406	37,186	-
TotalEnergies Global Procurement	-	-	-	-	142,373	190,467
TotalEnergies Marketing Belgium	-	-	4,132	8,416	-	-
TotalEnergies Consulting	-	-	-	13,007	29,892	-
Total Renewables	-	-	-	-	124,189	-
TotalEnergies Gestion International	-	-	-	-	256,559	349,475
TotalEnergies Global Services	-	-	-	-	102,174	99,217
TotalEnergies Marketing Services	-	-	-	-	1,537,293	1,208,069
	<u>3,475,890</u>	<u>4,938,668</u>	<u>86,843,310</u>	<u>117,121,313</u>	<u>5,482,734</u>	<u>6,027,148</u>

34.2 Outstanding balance

The following amounts were outstanding at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	₦'000	₦'000	₦'000	₦'000
Total Outre Mer	-	-	50,419,564	68,804,247
TotalEnergies E&P Nigeria	388,199	1,228,609	-	-
TotalEnergies Global Procurement	-	-	24,872	41,214
TotalEnergies Global Services	-	-	9,855	15,375
TotalEnergies Learning Solutions	-	-	10,653	19,149
TotalEnergies Upstream Nigeria Limited	-	-	11,304,750	7,687,924
TotalEnergies Congo	44,714	44,714	-	-
TotalEnergies Cameroon	39,117	39,117	-	-
TotalEnergies Niger	2,317	2,256	-	-
TotalEnergies Gabon	2,526	2,526	-	-
Total Renewables	124,189	-	-	-
TotalEnergies Gestion International	-	-	44,254	40,161
Total Belgium	-	-	9,469	-
Rades Training Center	-	-	25,288	-
Total Marketing middle east	-	-	212,539	4,208
TotalEnergies Marketing Services	-	-	2,921,162	2,088,825
Total Lubrificants	78,686	23,183	-	-
	<u>679,748</u>	<u>1,340,405</u>	<u>64,982,405</u>	<u>78,701,103</u>
TotalEnergies Treasury	28,507,205	204,038	-	-
	<u>29,186,953</u>	<u>1,544,443</u>	<u>64,982,405</u>	<u>78,701,103</u>

Included in the analysis above is the balance of funds held with TotalEnergies Treasury at the year ended 31 December 2022; amounting to ₦28.51 billion (2021: ₦204.04 million). This has however been classified along with cash and cash equivalents in the statement of financial position. See note 27.

Technical assistance and management fees

TotalEnergies Marketing Services charges TotalEnergies Marketing Nigeria Plc for General Assistance recorded and Total Outre Mer charges TotalEnergies Marketing Nigeria Plc for Technical Assistance. The expenses are generally charged to profit or loss. During the year, an accrual of ₦2.558 billion (2021: ₦3.623 billion) was charged to profit or loss in this regard. See note 10.2.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

34.3 Related party transactions (continued)

(i) Transactions with key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The Company has identified its management team as its key management personnel. The compensation paid or payable to key management for employee services is shown below:

	2022	2021
	₦'000	₦'000
Transactions with key management	461,971	408,303
Directors remuneration (Note 10.2)	493,329	441,519
Fees for service as directors	14,024	15,035
Other remunerations	479,305	426,484
	493,329	441,519

Emoluments of the highest paid director was ₦290.53 million (2021 ₦171.57 million). The chairman of the board did not earn any emoluments during the year (2021:nil).

Dividends totaling ₦3.61 million were paid in the year in respect of ordinary shares held by the Company's directors. (2021: ₦3.61 million)

The table below shows the number of Directors whose emoluments during the year excluding pension contributions were within the ranges stated:

	2022	2021
	Number	Number
₦6,000,001 and above	10	10
	10	10
Number of Directors who had no emoluments during the year	4	4

35 (i) Information regarding employees

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

	31 December 2022	31 December 2021
	Number	Number
Below ₦1,500,000	3	3
₦1,500,001 - ₦2,500,000	1	1
₦2,500,001 - ₦3,500,000	-	-
₦3,500,001 - ₦4,500,000	-	-
₦4,500,001 - ₦5,500,000	-	1
₦5,500,001 - ₦6,500,000	3	4
₦6,500,001 - ₦7,500,000	7	8
₦7,500,001 - ₦8,500,000	7	5
₦8,500,001 - ₦9,500,000	11	26
₦9,500,001 - ₦10,500,000	22	13
₦10,500,001 - ₦11,500,000	22	39
₦11,500,001 - ₦12,500,000	60	55
₦12,500,001 - ₦13,500,000	15	37
₦13,500,001 - ₦14,500,000	22	48
₦14,500,001 - ₦15,500,000	31	32
₦15,500,001 and above	225	164
	429	436

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

	31 December 2022	31 December 2021
	Number	Number
Managerial staff	159	149
Senior staff	259	272
Junior staff	11	15
	429	436

OTHER NATIONAL DISCLOSURES

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER

	<u>2022</u> <u>₦'000</u>	%	<u>2021</u> <u>₦'000</u>	%
Revenue	482,470,780		341,316,345	
Less: Bought in materials and services :				
- Imported	(86,843,310)		(117,121,313)	
- Local	<u>(345,421,530)</u>		<u>(183,315,042)</u>	
	50,205,940		40,879,990	
Other Income	3,482,059		4,478,604	
Finance Income	2,256,941		831,039	
Value added	<u>55,944,940</u>	<u>100</u>	<u>46,189,633</u>	<u>100</u>
Applied as follows:				
To pay government:				
Income tax, minimum tax, education tax and capital gains tax, Nigeria Police Trust Fund levy and National Agency for Science and Engineering Infrastructure (NASENI) Levy.	8,413,904	15	7,973,425	17
To pay employees:				
Salaries, wages, pensions and social benefits	13,076,549	23	11,063,187	24
To pay providers of finance:				
Finance costs	5,392,201	10	1,769,657	4
Interim dividend	1,358,087	2	1,358,087	3
Retained in the business				
To maintain and replace:				
- Property, plant and equipment	5,361,062	10	5,051,448	11
- Intangible assets	51,832	-	46,724	-
Final dividend	6,179,297	11	2,063,385	4
To augment retained earnings	16,112,008	29	16,863,720	37
	<u>55,944,940</u>	<u>100</u>	<u>46,189,633</u>	<u>100</u>

OTHER NATIONAL DISCLOSURES

FIVE YEAR FINANCIAL SUMMARY

	2022	2021	2020	2019	2018
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Property, plant and equipment	41,866,105	38,734,517	36,207,654	35,476,862	33,855,656
Intangible assets	191,875	123,302	142,420	11,730	25,943
Right-of-use assets	7,938,283	7,862,178	8,189,839	7525045	-
Deferred tax assets	-	-	433,774.00	923,193.00	-
Prepayments - Non- current portion	-	-	-	-	7,201,941
Trade and other receivables	1,985,733	2,830,275	2,326,547	3,085,587	1,524,840
Current assets	255,833,727	159,178,694	96,312,651	88,008,461	89,912,403
	307,815,723	208,728,966	143,612,885	135,030,878	132,520,783
EQUITY AND LIABILITIES					
Current liabilities	247,960,348	159,440,828	109,818,252	101,139,355	95,984,054
Non -current liabilities	9,568,565	7,668,833	5,643,654	5,571,739	5,805,841
Share capital	169,761	169,761	169,761	169,761	169,761
Retained earnings	50,117,049	41,449,544	27,981,218	28,150,023	30,561,127
	307,815,723	208,728,966	143,612,885	135,030,878	132,520,783
REVENUE AND PROFITS					
Revenue	482,470,780	341,316,345	204,721,463	292,177,202	307,987,896
Profit before taxation	24,532,280	24,835,555	2,909,038	3,070,510	12,098,463
Profit for the year	16,118,376	16,862,130	2,063,385	2,278,979	7,960,893
Total comprehensive income	16,112,008	16,862,130	2,063,385	2,278,979	7,960,893
Dividends	8,488,046	7,537,384	2,063,385	2,278,192	5,771,872
Basic earnings per share:					
Per 50 kobo share (basic) (Naira)	47.47	49.66	6.08	6.71	23.45
Dividend per share:					
Per 50 kobo share (actual) (Naira)	25.00	22.20	6.08	7	17
Net assets:					
Per 50 kobo share (actual) (Naira)	148.11	122.58	82.91	83.41	90.51

NOTE:

Earnings per share is based on profit after tax and the number of ordinary shares of 50k in issue at the end of each financial year.

Dividend per share is based on the interim dividend declared and paid within the year and the final dividend proposed for that year which is subject to approval at the Annual General Meeting divided by the number of ordinary shares in issue at the end of the year.

Net assets per share are based on the net assets of the Company and number of ordinary shares of 50k in issue at the end of each financial year.

Interim dividend of ₦4.00 per share was paid during the year (2021: ₦4.00 per share). At the board of directors meeting of 30 March 2023, a final dividend of ₦21.00 was proposed for the year ended 31 December 2022 (2021: ₦18.20)

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

SHARE CAPITAL HISTORY

The authorized share capital has been increased as follows:

S/N	DATE	RESOLUTION
1.	10 th of April, 1958 18 th of August, 1959 25 th of May, 1960 30 th of November, 1976 21 st of June, 1978	₦1,500,000 ₦2,000,000 ₦3,000,000 ₦5,000,000 ₦10,000,000
2.	21 st June, 1978	Each share of ₦20 each was sub - divided into 40 shares of 50 kobo each.
3.	10 th October, 1978	Authorized capital of the company was ₦10,000,000 divided into 20,000,000 shares of 50 kobo each.
4.	8 th of August, 1980	By a special resolution of the Annual General Meeting the authorized Share capital of the company was increased to ₦15,000,000 divided into 30,000,000 ordinary Shares of 50 kobo each.
5.	18 th of October, 1982	By a special resolution of the Extra-ordinary General Meeting, the authorized share capital of the company was increased to ₦22,500,000 divided into 45,000,000 ordinary shares of 50 kobo each.
6.	27 th of June, 1984	By a special resolution of the Annual General Meeting the authorized Share capital of the company increased to ₦33,750,000 divided into 67,500,000 ordinary Shares of 50 kobo each.
7.	23 rd of June, 1988	By a special resolution of the Annual General Meeting the authorized Share capital of the company was increased to ₦40,500,000 divided into 81,000,000 Ordinary shares of 50 kobo each.
8.	11 th of July, 1991	By a special resolution of the Annual General Meeting the authorized Share capital of the company was increased to ₦54,000,000 divided into 108,000,000 Ordinary shares of 50 kobo each.
9.	8 th of June 1994	By a special resolution of the Annual General Meeting the authorized share capital of the company was increased to ₦72,000,000 divided into 144,000,000 Ordinary shares of 50 kobo each.
10.	7 th of June, 1995	By a special resolution of the Annual General Meeting the Authorized Share capital of the company was increased to ₦96,000,000 divided into 192,000,000 Ordinary shares of 50 kobo each.
11.	11 th of June, 1997	By a special resolution of the Annual General Meeting the Authorized Share capital of the company was increased to ₦112,000,000 divided into 224,000,000 Ordinary shares of 50 kobo each.
12.	28 th of August, 2001	By a special resolution of the Annual General Meeting the Authorized share capital of the company was increased to ₦148,540,804 divided into 297, 081,608 ordinary shares of 50 kobo each.
13.	17 th of June 2004	By a special resolution of the Annual General Meeting the Authorized and issued share capital of the company was increased to ₦169,760,918.00 divided into 339,521,836 ordinary shares of 50 kobo each.

LIST OF MAJOR DISTRIBUTORS 2022

S/N	STATE	STATION NAME	DEALER NAME	STATION ADDRESS
1	ABIA	ABA CTR	CHIJIJOKE IJOMAH	ASA ROAD ABA ALONG ASA ROAD, ABA
2	ABIA	ABA GRA	ONYEKWERE ONWUBIKO	BRASS JUNCTION BRASS JUNCTION
3	ABIA	ABA OWR RD	SIMON SULE	ABA OWERRI RD ABAYI ABAYI, ABA
4	ABIA	MISSION HILL	UKACHUKWU IHENACHO	MISSION HILL ROAD MISSION HILL ROAD
5	ABIA	OGBOR HILL	AJAH EMEH	UMUOBA JUNCTION OGBOR HILL, 7 UP ROAD, ABA
6	ABIA	OLD ABA RD UMUAHIA	OTTI SUNDAY	NO 111, OLD ABA ROAD, UMUAHIA
7	ABIA	UKWA TOWN	NDIFREKE AKPAN JOHN	OPPOSITE ASA HIGH SCHOOL, UKWA TOWN SHEHU SHAGARI RD, AREA 11. ABUJA ALONG SHEHU SHAGARI WAY GARKI, AREA 11
8	ABUJA	ASOKORO	ABUBAKAR SHAHADA	ALONG NYANYA KARSHI ROAD BY FAIRPLAY ROOMS AND GARDEN
9	ABUJA	JIKWOYI	MOHAMMED ABDUL	J. STARKA STREET, GARKI ABUJA ALONG J.S TARKA STREET
10	ABUJA	JS TARKA	YAHAYA USMAN	AREA 3, GARKI ABUJA PLOT 2, JUMMAI ESTATE LAYOUT, KURUDU FCT ALONG KURUDU RD, KURUDU
11	ABUJA	KURUDU SS	JOHN ADUGA	2ND AVENUE, H CLOSE, LUGBE ALONG FHA RD, LUGBE
12	ABUJA	LUGBE	MARCUS HYUWA	MARARABA KEFFI RD, NASSARAWA ALONG MARABA/ KEFFI RD, MARARABA
13	ABUJA	MARARABA 1	FRANCIS INALEGWU	ABUJAKEFFI EXPRESS WAY, NASSARAWA ALONG MARABA/ KEFFI RD, MARARABA
14	ABUJA	MARARABA 2	HENRY ASEMOTA	ALONG MAJE DIKKG BYPASS
15	ABUJA	DIKKO	ISA NDA	272 HERBERT MACAULAY WAY, YABA NEAR ALAGOMEJI B/STOP, ALONG HERBERT MACAULAY WAY, YABA
16	ABUJA	HERBERT MACUALAY	BASHIR YUNUSA	ALONG MINNA SULEJA RD MAJE TOWN
17	ABUJA	SULEJA DEPOT	ALI GABADA	5 CONAKRY STREET, WUSE ZONE 3 SULTAN ABUBAKAR WAY
18	ABUJA	SULTAN ABUBAKAR	MURTALA SULEIMAN	HERBERT MACCAULAY WAY, CENTRAL BUSINESS DISTRICT, ABUJACENTRAL BUSINESS DISTRICT
19	ABUJA	TOTAL HOUSE	FRANCIS SULE	NO 1 TUNGA MAJE ALONG - ABUJA GWAGWALADA ROAD
20	ABUJA	TUNGAMAJE	MURAHAT NIG LTD	OKONJO IWELA WAY, UTAKO ABUJA
21	ABUJA	UTAKO (EM WORLD)	ADAMSULEMAN	HERBERT MACCAULAY WAY, WUSE ZONE 5, ABUJA ALONG HERBERT MACCAULAY WAY WUSE, ZONE 5
22	ABUJA	WUSE 1	IBRAHIM USMAN	BERGER JUNCTION, ZONE 6, ABUJABERGER ROUNDABOUT ALONG GWAGWALADA ABAJ RD ALONG GWAGWALADA ABAJI RD
23	ABUJA	WUSE 2	YUSUF ZAKARI	ALONG 1ST AVENUE ROAD
24	ABUJA	GWAGWALADA	MOHAMMED SARKI	22 JUNCTION KUBWA ALONG GADO NASCO ROAD
25	ABUJA	GWARINPA	TUNDE OYEDIRAN	ALONG PRISON YARD RD KUJE
26	ABUJA	KUBWA	LARRY DANIEL	189 ABAK ROAD, UYO, AKWA IBOM STATE ALONG ABAK ROAD, UYO
27	ABUJA	KUJE	ISAH MOHAMMED	
28	AKWA	ABAK RD SS	FRANCIS INYANG	
29	IBOM	ORON RD	UDUAK USORO	ORON RD, UYO TOWN, ALONG UYO AIRPORT RD
30	IBOM	ORON TOWN	UNACHUKWU NGOZI	UYO ROAD, ORON, AKWA IBOM STATE
31	IBOM	UYO TOWN SS	UDUAK UMOH	179 IKOT EKPENE ROAD, UYO AKWA IBOM STATE ALONG IKOT RD. UYO
32	ANAMBRA	UMUAHIA	KALU AMAECHI	6 ABA ROAD, UMUAHIA, ABIA STATE
33	CROSS	CALABAR RD SS	COMFORT ETIM	12 CALABAR ROAD, CALABAR ALONG CALABAR RD CALABAR
34	CROSS	IKOMOLD DEALER	FIDELIS AMAH KALU	60 CALABAR ROAD, 4 CORNER SQUARE, IKOM, CROSS RIVER STATE ALONG CALABAR RD IKOM
35	CROSS	MARIAN RD SS	ADIKURU CHUKWUKA	43 MARIAN ROAD, CALABAR ALONG MARIAN ROAD, CALABAR
36	RIVER	MFAMOSING	UDUAK UMOH	LAFARGE YARD, MFAMOSING, CROSS RIVER STATE
37	DELTA	AGBOR	SILAS SHABA	AGBOR TOWN INSIDE AGBOR TOWN ALONG BENIN/ASABA EXPRESS, AFTER OLD AGBOR TOLL GATE, AGBOR DELTA STATE.
38	DELTA	AGBOR EXPRESS PSS	MOSES ESHIOMONU	AFTER KOKA JUNCTION, AFTER NNPC MEGA STATION, ASABA ONITSHA EXPRESS WAY
39	DELTA	ASABA COKER S/S	KAMARUDEEN ONAIDO	

LIST OF MAJOR DISTRIBUTORS 2022

S/N	STATE	STATION NAME	DEALER NAME	STATION ADDRESS
40	DELTA	ASABA FERRY S/S	SUSAN ASUQUO	CABLE ROAD, BY MARINE POLICE STATION, ASABA FERRY ROAD BY TRAFFIC LIGHT OPPOSITE - A DIVISION POLICE STATION NNEBISI RD BY TRAFFIC LIGHT JUNCTION THE ONLY TOTAL STATION BEFORE TRAFFIC LIGHT
41	DELTA	ASABA UMUEZEI	MIKE ODANLUMEN	BENIN ASABA EXPRESS FROM ASABA AIRPORT, THE FIRST TOTAL STATION BY YOUR RIGHT
42	DELTA	BENIN/ASABA EXP SS	FOLASHADE OKOSUN	BY SKI INTERNATIONAL HOTELS THE PATRIOT, AGENEBODE
43	EDO	AGENEBODE SS	MICHAEL IFIETEKHAI	AUCHI POLY ROAD ON AUCHI MARKET RD.
44	EDO	AUCHI SS	ABDULFATAI SALAUDEEN	AUCHI/BENIN EXPRESS ROAD, IYAKPI SOUTH, IBIE
45	EDO	BENIN/AUCHI PSS (AVIELLE)	INNOCENT IMHIENITAMAH	OKIGWE ROAD 56 OKIGWE ROAD
46	IMO	OKIGWE	NDUBUISI ACHIGBU	MOZAMBIQUE ROAD BARNAWA
47	KADUNA	BARNAWA SS, KADUNA	VICTOR MAJEKODUNMI	NO 1 A DOKA CRESCENT TOWARD S LORD LUGARD R/ ABOUT
48	KADUNA	DOKA CRS SS	AYO ADISA	12 RIGACHUKWU ROAD, KAWO ZARIA ROAD, KADUNA NORTH BY ABASS WORKS VULCANIZER
49	KADUNA	JAJI RD KADUNA S/S		NO 3 KACHIA RD CROSSING THE SOUTH BRIDGE FROM KADUNA NORTH
50	KADUNA	KACHIA RD 1	SEFI AUDU	KACHIA RD TOWARD S ST GERRARD HOSPITAL, KADUNA
51	KADUNA	KADARA SS	ADAMU BAMALI	KADUNA BYE PASS RD TOWARD S KAWO FROM SABO
52	KADUNA	KADUNA BYPASS	AUWAL JIBRIL	KADUNA ZARIA RD, UNGWAN GWARIKAWO BY THE GARRAGE
53	KADUNA	KADUNA ZARIA	ABUBAKAR HASSAN	ALONG ABUJA KADUNA ZARIA EXPRESS WAY, OPPOSITE USMANIA PETROL STATION, BADIKO, KURMIN MASHI
54	KADUNA	KURMI MASHI	RABIU YOLA	ALONG KAM SALEM RD, BY CONAKRY AVENUE, MALALI KADUNA
55	KADUNA	MALALI RD KADUNA S/S	SHEHU NUHU	PLOT 10 KACHIA RD, SABON TASHATOWARD S KADUNA REFINERY
56	KADUNA	REFINERY RD	JIBRIN ABUBAKAR	NO 1 JUNCTION RD TOWARD S KADUNA STADIUM
57	KADUNA	SOUTH BRIDGE	MUHAMMAD ABUBAKAR	
58	KADUNA	TOTAL VALUE OIL (NNAMDI AZIKIWE EXPRESS)	ALIKIWE ALIYU LAWAL	AE20, NNAMDI AZIKIWE BYE PASS, KADUNA
59	KADUNA	UNGWAN RIMI	GARBA MAMMAN	NO 1 SHEHU LAMINU RD, UNGWAN RIMITOWARD S TAFAWA BALEWA SQUARE
60	KADUNA	WAFF RD	MOHAMMED KABIRU UMAR	NO A 3 MUHAMMED BUHARI WAY KADUNATOWARD S KADUNA STATE GOVERNMENT HOUSE
61	KADUNA	COURT HOUSE ROAD	TIJJANI BABA MUSA	COURT HOUSE RD ALONG PZ ROAD
62	KADUNA	HANWA JUNCTION	KENNY OMIDIORA	HANWA JUNCTION UNDER KANO FLYOVER
63	KADUNA	HOSPITAL ROAD ZARIA	ISAH WADA	HOSPITAL RD ALONG HOSPITAL ROAD
64	KADUNA	MAIN STREET	OLUWAYEMI MAJEKODUNMI	1. MAIN ST. RD MAIN ST RD SABO GARI
65	KATSINA	FUNTUA BYEPASS	JOHNALECHENU	BYPASS FUNTUAGUSAU BYPASS
66	KATSINA	FUNTUNA MOTOR PARK	DAVID OLAYINKA	MOTOR PARK RD ALONG MOTOR PARK RD
67	KOGI	ABUJA RD SS (OKENNE ROAD PSS)	AHMED IBRAHIM	FELELE, ALONG LOKOJA ABUJA EXPRESSWAY ALONG AJAOKUTA ROAD, BEFORE 500 HOUSING ESTATE, LOKOJA
68	KOGI	AJAKUTA RD S/S, LOKOJA	AUDU MOSES	ALONG GANNAJA ROAD
69	KOGI	GANAJA RD SS, LOKOJA	SUNNY ANEJO	KABBA JUNCTION, OBAJANA.
70	KOGI	OBAJANA PSS	SAMUEL ARO	MM WAY LOKOJA ALONG POST OFFICE RD
71	KOGI	POST OFF. RD LOKOJA	JOSHUA ALONYENU	ABEOKUTA EXPRESS ROAD ABULE EGBA, AGBADO OKE ODO LGA LAGOS STATE ABULE EGBA BUS STOP
72	LAGOS	ABULE EGBA S/S	SEGUN ABIONA	142, ABEOKUTA/ AGEGE MOTOR ROAD, AGEGE LGA, LAGOS STATE AGEGE MOTOR PARK
73	LAGOS	AGEGE F/S	AFOLABI MOSHOOD	LAGOS ABEOKUTA EXPRESS RD, OJOKORO LGA, ALAKUKO LAGOS STATE LAGOS ABEOKUTA EXPRESS WAY
74	LAGOS	ALAKUKO S/S	BALKIS DADA	
75	LAGOS	IDIMUKOTUN PSS	METROTECH GLOBAL PROJECTS	EGBADO
76	LAGOS	IYANA MEIRAN PSS	ADEKUNLE EGBETOLA	LAGOS ABEOKUTA EXPRESS ROAD, IYANA MEIRAN KM 14 LAGOS ABEOKUTA EXPRESS OJOKORO LGA, OJOKORO, LAGOS IN-BETWEEN ACCESS BANK AND PRESIDENT PAINTS AMMADIYA
77	LAGOS	OJOKORO S/S	DUROJAYE BOLARINW	LAGOS ABEOKUTA EXPRESS RD, AGEGE- LGA, -OKE ODO LAGOS STATE LAGOS ABEOKUTA EXPRESS WAY, OPPOSITE IYANA IPAJA
78	LAGOS	OKE ODO S/S	AGBOOLA ROTIMI	

LIST OF MAJOR DISTRIBUTORS 2022

S/N	STATE	STATION NAME	DEALER NAME	STATION ADDRESS
79	LAGOS	OKO OBA S/S	DUPE GOMEZ	OLD ABEOKUTA MOTOR RD.-OKO OBA, ORILE AGEGE LGA LAGOS DIRECTLY OPPOSITE ABBATOIRE, OKO OBA
80	LAGOS	PENCINEMA F/S	CLOSED	18, BALOGUN STREET, AGEGE LGA, LAGOS STATE OPPOSITE AGEGE LGA MATERNITY
81	LAGOS	IKORODU TOWN	ADEJUMO SUNDAY	N0 6 SAGAMU RD IKORODU IKORODU LOCAL GOVT AREA
82	NASARAWA	KEFFI	SHEHU IBRAHIM	AKWANGA RD, KEFFIBY KEFFI ROUNDABOUT
83	NASARAWA	MASAKA 2	RAHILA JOHNSON	ABUJAKEFFI EXPRESS WAY, NASSARAWA ALONG ABUJA/ KEFFI EXPRESS WAY, MASAKA
84	NASARAWA	NEW KARU	PATRICK NWOSU	KEFFI ABUJA RD KEFFI/ ABUJA RD, NEW NYAYAN
85	NASARAWA	UKE	ISMAILA SANI	ABUJAKEFFI EXPRESS WAY, NASSARAWA ALONG MARABA/ KEFFI RD, MARARABA
86	NIGER	MADALLA 2	BLESSING LAWRENCE	ALONG ZUBA-KADUNA RD MADALLA SULEJA ROAD
87	OGUN	MOWE OFADA	SAMUEL IBIWOYE	BESIDE THE SANCTIFYING MINISTRY OF CHRIST CHURCH, ALONG ILARO - SHAGMU ROAD, OFADA, MOWE
88	OGUN	IJEGUN PSS	AYODELE RICHARDS	ISHERI OSHUN ROAD, IJEGUN
89	OGUN	IJURI IGBESA (ATAN)	FELIX OYEM	IPETU IJESHA TOWN ALONG PALACE SQUARE IPETU
90	OGUN	OPIC ESTATE PSS	SUNDAY OMORUYI	OPIC ESTATE, AGBARA
91	OGUN	SANGO OTTA F/S	BISIRIYU SHOLA	ABEOKUTA EXPRESS ROAD, ADDO ODO/OTTA LGA SANGO OTTA OGUN STATE UNDER SANGO BRIDGE
92	OGUN	ILISAN JUNCTION	ADETOLA DARE	TOTAL SERVICE STATION, ILISAN JUNCTION, SAGAMU-IJEBU EXPRESS 4KM AFTER SAGAMU EXPRESS JUNCTION.
93	OGUN	OLOFIN ROAD, ILISAN	BUNMI ELIJAH	OLOFIN RD, ILISAN TOWN, OGUN STATE
94	OGUN	1ST GATE ODOGUNYAN	ODUAKUN KOLA	KM 8 SAGAMU IKORODU RD ODOGUNYAN ON THE SAME WAY TO LASPOTECH
95	OGUN	BENSON BUS STOP	OWONIFARI OPEYEMI	27 LAGOS RD IKORODU STATION IS ON BENSON BUS STOP /EBUTE RD IKORODU
96	OGUN	IJEBU ITOKIN ROAD	AKINLOYE WALE	KM5 IJEBU ODE/ ITOKIN RD PARAFI IKORODU. STATION IS ON IJEBU ODE ITOKIN RD IKORODU
97	OGUN	JUBILEE ESTATE	BODE TEWOGBADE	130, JUBILEE ESTATE, SAGAMU RD, IKORODU
98	ONDO	ADEMULEGUN RD	FADEJI RUFUS	NO 220, ADEMULEGUN ROAD, KOLA REWIRE, ONDO TOWNSHIP FROM AKURE, SECOND TOTAL STATION
99	ONDO	AKURE MOTOR PARK	MUSA OLABAMIJI	CLOSE TO AKURE MOTOR PARK, ONDO TOWNSHIP, ONDO STATE FROM AKURE, FIRST TOTAL BY THE LEFT
100	ONDO	EREKESAN MARKET	SEKIRU ALABI	ADESIDE ROAD, OJA MARKET, AKURE, ONDO STATE FROM ILESHA, SECOND TOTAL STATION WHEN COMING TO MAIN TOWN
101	ONDO	HOSPITAL RD AKURE	BABAWANDE WAHEED	OLUWATUYI RD, IJOKA AKURE
102	ONDO	ILESHA ROAD	OLARENWAJU TAJUDEEN	AKURE SOUTH LOCAL GOVT ROAD, AKURE ONDO STATE FROM ILESHA, FIRST TOTAL STATION WHEN COMING TO MAIN TOWN
103	ONDO	ONDO MOTOR PARK	AJE MATHEW	ODO JOMU, ONDO TOWNSHIP, ONDO STATE FROM ORE, FIRST TOTAL STATION IN ONDO TOWN
104	ONDO	ONDO ODOTU	MOSES ONOMHANTE	ODO IJOMU, ONDO TOWNSHIP, ONDO STATE
105	ONDO	ONDO RD S/S	ADERIYE OLUWOLE	ODO TOWNSHIP, ONDO STATE
106	ONDO	ONDO YABA	GBENGA SOMORIN	OPPOSITE CAC GRAMMAR SCHOOL, ONDO ROAD, AKURE EBIDO JUNCTION, YABA STREET, ONDO TOWNSHIP, ONDO STATE FROM ORE TO IFE GARAGE TO THE STATION.
107	ONDO	ORE EXPRESS	OGUNDIPE FEMI	IJEBU/SAGAMU EXPRESSWAY, ORE FIRST STATION IN ORE WHEN COMING FROM SAGAMU OR IJEBU ODE
108	ONDO	ORE JUNCTION	OLADIPUPO WALIU	OLD BENIN ROAD, ORE, ONDO STATE FROM BENIN, FIRST AND ONLY TOTAL IN ORE TOWNSHIP
109	ONDO	ST, DAVIDS	OLADELE OLANIYAN	ONDO IJOMU STREET, AKURE ONDO STATE FROM ADO EKITI, FIRST TOTAL STATION ON THE WAY TO MAIN TOWN
110	OYO	AGO TAPA F/S	ADEAGBO ADEYEMI	SANGO RD, MOKOLA AGOTAPA AREA
111	OYO	AGODI	JOSEPH ADELODUN	AGODI GATE, BESIDE SPARE PARTS MARKET AGODI GATE
112	OYO	AKANRAN S/S	AFODESO OLUSEGUN	WESLEY COLLEGE RD. LABOLABO AREA
113	OYO	BODIJA	IMRAN AFOLABI	OFF RAILWAY STATION BODIJA, BODIJA OJURIN, IBADAN BY GLORY TERBANACLE
114	OYO	CELICA JUNCTION	MUSAFU OGUNGBADE	CELICA JUNCTION ALONG IBADAN IFE EXPRESSWAY

LIST OF MAJOR DISTRIBUTORS 2022

S/N	STATE	STATION NAME	DEALER NAME	STATION ADDRESS
115	OYO	ITUTABA F/S	AWOYELE SAMUEL	AKINLOYE WAYOJE MARKET RD, ITUTABA TESTING GROUND, IDI APEOPPOSITE POLICE AREA COMMAND
116	OYO	IWO ROAD S/S	AKINOLA MOSES	COMMAND
117	OYO	MOKOLA S/S	BAYO KOLAPO	ADEKUNLE FAJUYI RD. MOKOLA ROUNDABOUT
118	OYO	MONATAN PFS	OLUWOLE OLADIPO	IWO RD., MONATAN IBADANMONATAN, IDI OGUN
119	OYO	OJE MKT S/S	LATEEF TIJANI OLAIDE	OJE MARKET, IBADANBY OJE MARKET
120	OYO	OJOO	OLUFUNKE ODUEKO	OYO RD. OJOOOYO RD. OJOO
121	OYO	OLD IFE RD, S/S	OJEKUNLE NURENI	OLF IFE ROAD OLD IFE ROAD ALONG IBADAN IFE EXPRESSWAYBY BOLA IGE INTERNATIONAL MRKET
122	OYO	OLODE F/S	ADISA RANTI	INTERNATIONAL MRKET
123	OYO	QUEEN ELIZABETH S/S	AKANMU NURUDEEN	TOTAL GARD ENQUEEN ELIZABETH RD
124	OYO	SANGO	AZEEZ LUKMAN	OLD OYO RD. SANGOPOLY JUNTION SANGQJI ROADQPPOSITE HALLELUYA FILLING STATION, SAMONDA, IBADAN
125	OYO	SANGO U,I ROAD	OGUNMODEDE OYENEYE	SAMONDA, IBADAN
126	OYO	TRAILER PARK S/S	KAZEEM ABIODUN	POLY RD, IJOKODOPOLY RD, IJOKODO
127	OYO	UCH PFS	OMOTOSHO ADEKUNLE	UCH IBADANUCH
128	OYO	ADAMASINGBA S/S	OJO EMMANUEL	FAJUYI RD. IBADAN ALONG DUGBE MOKOLA RD
129	OYO	APATAPETE S/S	MUYIWA OLUSOJI	ABEOKUTA RD. AFTER TURNING TO NNPC DEPOT
130	OYO	ELEIYELE I S/S	FATIMO AKINDOYIN	JERICHO RD. IBADAN ALONG ONIREKE/JERICHO RD



TOTALENERGIES MARKETING NIGERIA PLC. RC:1396

Annual General Meeting to hold at the Grand Banquet Hall, Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos at 11.00 a.m. on Thursday 1st June 2023

PROXY FORM

I/We

being a member/members of TOTALENERGIES MARKETING

NIGERIA PLC hereby

Appoint.....

or failing him the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company which will hold on the 1st June, 2023 and any adjournment thereof.

Dated the day of , 2023

Shareholder's Signature.....

NOTES

(1) A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.

(2) Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked*) the name of any person, whether a member and vote on your behalf instead of the Chairman of the meeting.

(3) Please sign, stamp and post the form so as to reach the address shown overleaf not later than 11.00 a.m. on the 30th of May, 2023.

(4) The proxy must produce the Admission Card sent with the Annual Report and Accounts to obtain admission to the meeting

	FOR	AGAINST
To adopt the Report and Financial Statements		
To declare a final dividend		
To re-elect Dr. J. Nnamani as a Director		
To re-elect Mrs. L. Baxter-Green as a Director		
To re-elect Mr. N. Ben-Hamida as a Director		
To appoint Mrs. Olubunmi Popoola-Mordi as a Director		
To disclose the remuneration of Managers of the Company		
To authorize the Directors to fix the remuneration of the External Auditors		
To elect members of the Statutory Audit Committee		
To fix the remuneration of the Directors		
To renew the general mandate for related party transactions		
Please indicate with an "X" in the appropriate space how you wish your vote to be cast on resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion. Cut here		

TOTALENERGIES MARKETING NIGERIA PLC. RC 1396



ANNUAL GENERAL MEETING

Card Please admit:

to the Annual General Meeting of TOTALENERGIES MARKETING NIGERIA PLC which will hold at The Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos on Thursday, 1st June, 2023.

NUMBER OF SHARES HELD

This admission card must be produced by shareholder or his proxy in order to obtain admission to the Annual General Meeting.

OLUBUNMI POPOOLA-MORDI

Company Secretary

Admission Card



E-DIVIDEND FORM



REGISTRAR

Cardinal Stone Registrars Limited
335/337 Herbert Macaulay Way,
Yaba, Lagos.

Tel: 01 7120090, 01 7924462

Dear Sir,

We hereby request that all dividend(s) due to me/us from my/our shareholding in **TOTALENEGIES MARKETING NIGERIA PLC.** be paid directly to my bank named below:

NAME OF BANK BRANCH

BANK ADDRESS

BANK ACCOUNT NO

SORT CODE BVN

CSCS NO.

SHAREHOLDER'S SURNAME TITLE

OTHER NAMES

FULL ADDRESS

MOBILE (GSM) NO. LAND LINE

EMAIL FAX

SHAREHOLDER'S SIGNATURE(S)

1.

2.

5.

BANK'S AUTHORISED SIGNATURES/STAMP

3.

4.



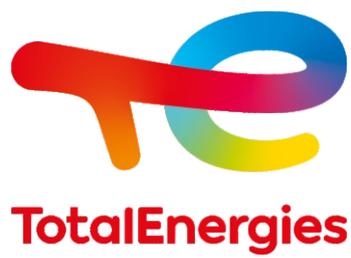
© TotalEnergies 2022 - Photography: StudioXcoursa / Art direction: Studio Avonne

Sunshine solar lamps, a burst of energy!

Brighten your life with
the exceptionally **powerful new**
Sunshine 150 and Sunshine 300 lamps.

#TotalEnergies&I





TotalEnergies Marketing Nigeria Plc
4 Churchgate street,
Victoria Island, Lagos
P.M.B. 2134, Lagos, Nigeria
Tel: + 234 01 617041-2, +234 01 4631681 - 5 Registered: RC: - 1396
services.totalenergies.ng