11 PLC

UNAUDITED FINANCIAL STATEMENT FOR THE PERIOD ENDED JUNE 30, 2019.

1 Mobil Road, Apapa, Lagos.

Mobil ™

11Plc
Financial Highlights

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	2019	2018	Change %
Revenue	92,805,286	85,910,993	8
Profit before taxation	6,186,284	8,059,596	(23)
Taxation	(2,013,104)	(2,611,246)	(23)
Profit for the Year	4,173,180	5,448,350	(23)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	4,173,180	5,448,350	(23)
Earnings per 50k share (kobo)	1,157	1,511	(23)
Total assets	74,378,432	70,660,798	5
Capital expenditure	2,393,749	2,988,029	(20)
Authorised share capital	200,000	200,000	-
Number of 50k shares issued and fully paid up (absolute figures)	360,595,261	360,595,261	-

11Plc
Unaudited Statement of Financial Position
As at June 30, 2019

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	Note	June 2019	December 2018
Assets			
Non-current assets			
Property plant and equipment	2	12,930,128	10,923,166
Intangible assets	3	56,462	68,316
Investment property	4	22,084,716	23,372,830
Prepayments	5	1,988,866	2,033,676
Total non-current assets		37,060,172	36,397,988
Current assets			
Inventories	6	17,443,965	17,918,599
Prepayments	5	1,599,134	2,393,065
Trade and other receivables	7	13,735,721	11,513,890
Cash & Cash equivalent	17	4,208,938	2,358,078
Total current asset		36,987,759	34,183,632
Assets held for sale	20	330,501	79,178
Total assets		74,378,432	70,660,798
Equity and Liabilities			
Equity			
Share capital		180,298	180,298
Share premium		14,380	14,380
Retained income and other reserves	19	34,776,366	33,578,097
Total equity		34,971,044	33,772,775
Current liabilities			
Current tax payable	14	3,142,920	2,981,363
Bank overdraft	17	-	1,248,892
Trade and other payables	8	15,633,590	8,212,101
Current portion of deferred income	10	7,210,426	6,885,405
Total current liabilities		25,986,936	19,327,761
Non current liabilities			
Deferred tax liability	11	2,478,900	2,796,528
Deferred income	10	10,941,552	14,763,734
Total non-current liabilities		13,420,452	17,560,262
Total liabilities		39,407,388	36,888,023
Total Equity and Liabilities		74,378,432	70,660,798

The accounting policies and notes on pages 6 to 25 form an integral part of these financial statement.

The financial statements, accounting policies and the notes were signed on behalf of the Board of Directors on July 19, 2019 by:

A. A. OYEBANJI
FRC/2014/IODN/00000007151
MANAGING DIRECTOR

RAMESH VIRWANI
FRC/2014/ANAN/00000009240
EXECUTIVE DIRECTOR

A.B. NWACHUKWU
FRC/2014/ICAN/00000007154
ACCOUNTING MANAGER

11Plc
Unaudited Statement of Profit or Loss
For the Period Ended June 30, 2019

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Statement of Income	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan -Jun 2018
Revenue	46,732,812	40,834,950	92,805,286	85,910,993
Cost of sales	(42,840,281)	(36,504,219)	(85,265,164)	(76,563,456)
Gross profit	**3,892,531**	**4,330,731**	**7,540,122**	**9,347,537**
Other income	2,037,689	2,352,944	4,049,537	4,433,609
Selling and distribution expenses	(1,680,432)	(1,696,214)	(3,139,414)	(3,727,797)
Administrative expenses	(1,044,013)	(1,147,424)	(2,067,242)	(2,257,867)
Other operating income/(expense)	1,411	(28,368)	1,411	(28,368)
Operating profit	**3,207,186**	**3,811,669**	**6,384,414**	**7,767,114**
Finance income	33,602	172,719	51,752	295,761
Finance costs	(72,552)	(1,573)	(249,882)	(3,279)
Profit before taxation	**3,168,236**	**3,982,855**	**6,186,284**	**8,059,596**
Income tax expense	(1,034,931)	(1,290,679)	(2,013,104)	(2,611,246)
Profit for the year	**2,133,305**	**2,692,176**	**4,173,180**	**5,448,350**
Basic earnings per share (kobo)	**592**	**747**	**1,157**	**1,511**

Statement of Other Income	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018
Items that will not be reclassified to profit or loss				
Actuarial gains /(losses)	-	-		
Income tax effect on remeasurement		-		
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the period	2,133,305	2,692,176	4,173,180	5,448,350

The accounting policies and notes on pages 6 to 25 form and integral part of these financial statement.

11Plc
Unaudited Changes in Equity
For the Period Ended June 30, 2019

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June 2019	Share capital	Share premium	Total share capital	Retained earnings	Other Reserves	Total equity
Balance as at January 1, 2019	180,298	14,380	194,678	33,578,097	-	33,772,775
Profit for the year	-	-	-	4,173,180	-	4,173,180
Dividend payment	-	-	-	(2,974,911)	-	(2,974,911)
Balance as at June 30, 2019	180,298	14,380	194,678	34,776,366	-	34,971,044

June 2018	Share capital	Share premium	Total share capital	Retained earnings	Other Reserves	Total equity
Balance as at January 1, 2018	180,298	14,380	194,678	27,164,151	-	27,358,829
Effect of adoption of new accounting standards	-	-	-	(30,227)	-	(30,227)
Balance as at January 1, 2018 (restated)	180,298	14,380	194,678	27,133,924	-	27,328,602
Profit for the year	-	-	-	5,448,350	-	5,448,350
Dividend payment	-	-	-	(2,884,762)	-	(2,884,762)
Balance as at June 30, 2018	180,298	14,380	194,678	29,697,512	-	29,892,190

The accounting policies and notes on pages 6 to 25 form and integral part of these financial statement.

11Plc

Unaudited Statement of Cash Flows

For the Period Ended June 30, 2019

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	Note	Jan - Jun 2019	Jan -Jun 2018
OPERATING ACTIVITIES			
Operating Profit		6,384,414	7,767,114
Adjustment for non cash items			
Depreciation of fixed assets		1,674,561	1,599,234
Amortization of intangible assets		11,854	7,616
(Gain) / Loss on disposal of fixed assets		(1,411)	28,368
Total non cash items		1,685,004	1,635,218
Changes in current assets and liabilities			
Decrease/(Increase) in inventories		474,634	(6,041,373)
Decrease/(Increase) in due from associated companies		(1,050,399)	4,758,101
Decrease/(Increase) in foreign currency deposit for imports		-	62,903
Decrease/(Increase) in trade debtors and bridging claims		(1,672,439)	1,023,752
Decrease/(Increase) in other debtors and prepayments		1,082,861	4,360,513
Increase/(Decrease) in due to associated companies		2,332,413	452,868
Increase/(Decrease) in trade creditors and bridging allowance		4,526,243	(5,294,846)
Increase/(Decrease) in other creditors and accruals		562,834	2,669,937
Increase/(Decrease) in unamortised rental income		(3,497,160)	(3,679,139)
Net changes in current assets and liabilities		2,758,987	(1,687,284)
Income taxes paid		(2,163,614)	(1,034,842)
Witholding tax credit utilised		-	(3,902)
Net cash generated from operating activities		8,664,791	6,676,304
INVESTING ACTIVITIES			
Purchase of fixed assets		(2,393,749)	(1,071,705)
Proceeds from disposal of assets		1,751	8,820
Interest received		51,752	295,761
Net cash used in investing activities		(2,340,246)	(767,124)
FINANCING ACTIVITIES			
Dividend paid		(2,974,911)	(2,884,762)
Interest charges		(249,882)	(3,279)
Net cash used in financing activities		(3,224,793)	(2,888,041)
Net Increase/(Decrease) in cash and cash equivalents		3,099,752	3,021,139
Cash and cash equivalents at beginning of the period		1,109,186	4,389,870
Cash and cash equivalents at end of the period		4,208,938	7,411,009

The accounting policies and notes on pages 6 to 25 form and integral part of these financial statement.

Reporting Entity

11Plc (formerly Mobil Oil Nigeria plc) was incorporated as a Private Limited Liability Company in 1951. It became a public limited liability company in 1978 and its share capital is listed on the Nigerian Stock Exchange.

ExxonMobil plc conducted the transfer/sale of her 60% holding in Mobil Oil Nigeria plc. (MON) to NIPCO Investment Limited, a wholly-owned subsidiary of Nipco Plc in 2017. This sale substantially increases Nipco Group shareholding in MON to 74.67% while other investors hold 25.33%.

The Change in Control (CIC) resulted in the change of the Company name to Double One plc (11Plc).

The Company was formed principally for the marketing of petroleum products. The Petroleum products the company sells include; Petrol, Diesel, Aviation fuel, Liquefied petroleum gas, Kerosene and Lubricants. Petrol, Diesel, Liquefied petroleum gas and Kerosene are mainly sold through the company's service stations while Lubricants are sold through distributors. Aviation fuel is sold at Murtala Muhammed Airport.

All the fuels which the Company sells are purchased either from the Nigerian National Petroleum Corporation or from other third party suppliers. Lubricants are blended locally or purchased from ExxonMobil Corporation through a related party.

The Company also has some investment properties which are leased for office and residential purposes at market rate.

Significant accounting policies

1. Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in conformity with the Financial Reporting Council (FRC) of Nigeria Act 2011 and the Companies and Allied Matters Act. The financial statements were authorized for issue by the board of directors on April 25, 2019.

2. Functional and presentation currency

These financial statements are presented in Nigerian Naira which is the Company's functional currency. The financial statements have been rounded to the nearest thousands, except where stated otherwise.

3. Basis of measurement

The financial statements have been prepared under the historical cost convention except for the following items in the statement of financial position:

- employee loans measured at amortised cost
- inventory measured at lower of cost and net realizable value
- trade receivables and payables measured at amortised cost.

4. Going concern

The financial statements have been prepared on a going concern basis and there are no uncertainties that may cast doubt on the company's ability to continue as such.

5. Use of estimates and judgment

In preparing the financial statements, management is required to make use of estimates and assumptions that affects the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. The statement of accounting policies forms an integral part of these financial statements.

6. Current versus non-current classification

11Plc presents assets and liabilities in the statement of financial position based on current and/or non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Is due to be realised within 12 months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Non-current assets are due to be settled more than 12 months after the reporting period.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

7. Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- the parties are bound by a contractual arrangement, and
- the contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

11Plc accounts for the assets, liabilities and expenses relating to its interest in its joint operations in accordance with applicable IFRSs.

8. Investment property

Investment property is recognised as an asset when it is probable that the future economic benefits associated with the investment property will flow to the Company and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property.

Subsequent costs are included in the carrying amount of the investment property or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost model

Investment property is carried at cost, less depreciation and any impairment losses.

Assets under Construction is not subject to depreciation until they are completed.

Depreciation is calculated on a straight line basis to write down the cost to their residual values over their estimated useful lives of the property as follows:

Item	Average useful life (years)
Land	Infinite
Buildings	20 - 50
Plant and equipment	10 - 30
Fixtures and fittings	5 – 15
Motor vehicles	4

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted when appropriate.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

9. Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Interest is capitalized as an increase in property, plant and equipment on major capital projects during construction. All property, plant and equipment are stated at historical cost less depreciation.

Assets under Construction are included in property, plant and equipment but are not subject to depreciation until they are completed

Property and equipment are derecognized on disposal, or when no future economic benefits are expected from their use or disposal and gains and losses on disposal are determined by comparing proceeds with carrying amount.

Depreciation, impairment losses and gains and losses on disposals of property, plant and equipment are included in profit or loss.

Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted when appropriate.

The Company depreciates significant parts of plant and equipment which are replaced at intervals separately based on their specific useful lives.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life (years)
Land	Infinite
Buildings	20 - 50
Plant and equipment	10 - 30
Fixtures and fittings	5 – 15
Motor vehicles	4

10. Intangible assets

The Company's intangible assets are classified into three groups:

a) Software License:

These are acquired computer software licenses and are capitalised on the basis of costs incurred to acquire and bring to use the specific software. The costs are amortised on a straight line basis over 15 years which is the estimated useful life of the software. Upgrades are amortised over the remaining useful life of the asset and costs associated with maintaining computer software programs are recognized in expense as incurred.

b) Franchise costs:

These are capitalised amounts paid to UAC Nigeria plc. (UAC), which gives the Company the right to use the "Mr. Biggs" Brand in its retail outlets. Amortisation is calculated using the straight line method to allocate the franchise costs over the period of the agreement between 11Plc and UAC, which has a contractual life of 10 years.

c) Permits

These are capitalized amounts paid to a third-party for a right of way permit. The permit is for 20 years and it is amortised using the straight line method.

Intangible assets amortisation is recognised in profit or loss. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. These are reviewed annually and adjusted when appropriate.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.

11. Financial instruments

a) Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments. The Company initially measures its financial instruments at fair value.

b) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured at amortised cost. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

c) Derecognition

In determining whether the financial asset is due for derecognition, the Company considers the following factors:

- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets). or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets)

Derecognition is appropriate after the company assess that all control has been relinquished and it has neither retained nor transferred substantially all of the risks and rewards of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Classification

Financial assets

Subsequent to initial recognition, all financial assets of the Company are measured at amortised costs. The company's financial assets include:

I. Trade receivables: fair value approximates the amortised cost as the difference is deemed immaterial

II. Employee loans: amortised cost using the effective interest rate.

III. Cash equivalents; fair value approximates the amortised cost as the difference is deemed immaterial

The Company's financial assets are subsequently measured at amortised cost if they meet both of the following criteria:

- 'Hold to collect' business model test - The asset is held within a business model whose objective is to hold the financial asset in other to collect contractual cash flows; and
- 'SPPI' contractual cash flow characteristics test - The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date. Interest in this context is the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Financial liabilities

Subsequent to initial recognition, all financial liabilities of the Company are measured at amortised costs. The company's financial liabilities include:

I. Trade & other payables: fair value approximates the amortised cost as the difference is deemed immaterial

II. Borrowings: measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs, to the extent there is no evidence that it is probable that some or all of the facility will be drawn down; the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are measured at amortised cost by the Company unless either:

- The financial liability is held for trading and is therefore required to be measured at FVTPL, or
- The Company elects to measure the financial liability at FVTPL (using the fair value option).

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle it on a net basis, to realise the assets and settle the liabilities simultaneously.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposit received from customers and other short-term highly liquid investments. Bank overdrafts that form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

g) Impairment

The Company recognizes loss allowances for expected credit losses (ECL) on trade receivables. The company applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Measurement of ECL

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors that may affect the ability of the customers to settle the receivables. The amount of expected credit loss is recognized in the profit or loss account and deducted from the carrying amount in the statement of financial position

At each reporting date, the Company assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the receivables has occurred.

Evidence that the future cash flow may be impaired includes the following observable data:

- Significant financial difficulty of the customer
- A breach of contract
- It is becoming probable that the customer will enter bankruptcy or other financial reorganization; or

In making an assessment of whether a customer is credit worthy and in determining the loss rate, the Company considers the following factors.

- The credit ratings, and payment terms of trade customers.
- Financial risk assessments, TAR trend analysis,
- Legal framework, management quality, Business ethics and integrity,
- Risk behavior and vulnerability,
- Competitive position and payment performance of the customers.

Employee loans

Employee loans are limited to 25% of employee's emoluments in line with human resource policy. There has been no history of default as repayment are deducted from the employee's monthly salary. If the employee retires or is separated, the outstanding loan balance is deducted from the final entitlement. Expected credit loss is nil.

12. Current and deferred income tax

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

Current income tax liabilities are recognised in line with the provisions of the Companies Income Tax Act and Tertiary Education Trust Fund Act. Income tax is determined at 30% of taxable profit and education tax is determined at 2% of assessable profits. Capital gains tax liability is charged on applicable capital asset disposals where the proceeds are not to be reinvested in a similar asset.

Deferred tax is provided using the liability method on all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes in accordance with the provisions of IAS 12. Current tax rates are used to determine deferred taxes.

Income taxes are recognised in profit or loss except when they relate to items recognized in other comprehensive income, in which case the tax is also recognised in other comprehensive income.

Deferred tax liabilities are recognised for all taxable temporary differences, except: When the deferred tax liability arises from the Initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets arise from deductible temporary difference, unused tax losses and unutilised tax credit. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

13. Leases

An arrangement is recorded (or contains) as a lease based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

a) Finance leases

These are leases that transfer substantially all the risks and rewards of ownership to the Company. They are recognised at the commencement of the lease term as finance leases and are capitalized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance lease payments are apportioned between interest expense and repayments of debt.

The Company's finance leases relate to motor vehicles where it bears substantially all risks and rewards. These cars are included as part of Property, Plant and Equipment in the financial statements. There is no new lease in 2019.

Assets acquired under lease are depreciated using the useful life of the assets. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, they are depreciated over the shorter of the useful life and the lease term.

As a lessor

b) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The Company owns investment properties which are leased out under operating lease agreements to a third party.

The lease income from the operating leases is recognized in income on a straight-line basis over the lease term. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

14. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring and transporting the stock to its present location. Cost is determined using the first-in, first-out (FIFO) method for lubricant products and weighted average method for fuels products. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. If the carrying value exceeds the net realisable value, an inventory write down is recognised.

Spare parts which are expected to be fully utilized in production and other consumables are valued at historical cost.

15. Employee benefits

The Company operates a defined contribution plan for all its active employees and defined benefit plan for its Annuitants.

a) Short term benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation and sick leave, and non-monetary benefits such as medical care), are recognised in the profit or loss in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

b) Post-employment benefits

Defined Contribution

In compliance with the PENCOM Act of 2014, the Company adopted a defined contribution scheme in 2014 for new employees. This is a pension scheme under which 11Plc pays fixed contributions into a Pension Fund as an amount or as a percentage of the pay of participants under the scheme as disclosed in retirement benefits Notes 12. Defined contribution is at 18%.

Defined contribution payments are funded from the operating expense on a monthly basis and there is no outstanding obligation after the funding.

When the employee renders services, pension costs are recognized as expenses in the Statement of profit or loss.

All active employees were migrated fully to the defined contribution scheme on February 1st, 2017.

c) Termination benefits

Termination benefits are recognised an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Company settles termination benefits within twelve months and are accounted for as short-term benefits.

16. Provisions and contingencies

Provisions are recognized as best estimates on statement of financial position date. They are recognised when the company has a legal or constructive obligation as a result of past events and where it is more likely than not that an outflow of resources will be required to settle the obligation. A reliable estimate of the amount to settle the obligation must also be possible before a provision is made. The measurement of provisions takes into consideration the time value of money and risk specific to the obligation. The increase in provision due to the passage of time is recognised as an interest expense.

The carrying amount of provisions are regularly reviewed and adjusted for new facts, changes in law or regulation.

Where the above conditions are not met, a contingent asset/liability is disclosed in the notes to the financial statements.

17. Revenue recognition

The company recognizes revenue in accordance with the core principles below:

a) Identify the contract(s) with a customer

A customer is a party that has contracted with the Company to buy petroleum products (Petrol, Aviation fuel, Diesel, Liquefied petroleum gas, Kerosene and Lubricants) in exchange for a consideration.

b) Identify the performance obligations in the contract

Sales are recognised when control is transferred to the customer. This could be at the point of delivery confirmation, or at the point of load confirmation for pick-ups. The performance obligation lapses after ownership has been transferred.

c) Determine the transaction price

Transaction price is the agreed amount identified in the contract. It represents that amount of revenue to be recognised as the performance obligation is satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the applicable volume discounts. No element of financing is deemed present.

d) Allocate the transaction price to the performance obligations in the contract

The price is recognised in the statement of comprehensive income.

e) Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at the point in time.

Disaggregation of revenue from contracts with customers

The company derives revenue from three major categories of petroleum products: fuels, liquefied petroleum gas and lubricants. The Company has determined that the disaggregation of revenue based on the criteria of types of products meet the disclosure requirements of IFRS 15 as it depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See Note 13 for further details.

18. Interest Income

Interest income related to employee benefits are recognised in the Company's financial statements using the effective interest rate method and interest rate on short-term deposits are recognised in the Company's financial statements at fair value.

19. Other Income

Other income refers to all other sources of income apart from the sale of petroleum products which the Company receives. It includes amongst others, rental income and backcourt income.

Rental income refers to rent the Company gets from its investment property and service stations. This income is recognised on a straight line basis over the lease term.

Backcourt income refers to income recognised from the use of the food court on some of the Company's service stations by UAC. It is charged at a percentage of total revenue recognised by UAC at the food courts.

20. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred. The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted and ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as expense in the period they are incurred.

21. Translation of foreign currencies

Transactions in foreign currencies are recorded at the official rates of exchange on the transaction date. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the official rates prevailing at that day while non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities denominated in foreign currency are translated at the applicable official rates of exchange on the reporting date. Exchange gains and losses are included in the profit or loss of the period in which they arise.

Exchange differences on monetary items are recognised in profit or loss in the period in which they occur.

22. Segment reporting

The Company has two business segments - Petroleum Products Marketing & Property Business. The Directors have determined operating segments based on the nature of the Company's business and performance reports reported to the Chief Operating Decision Maker (CODM).

These business segments have been grouped in a manner consistent with internal reporting and as provided to the chief operating decision maker (Executive Directors). The Company's activities that are significantly integrated or interdependent are not considered as separate business segments and no operating segments have been aggregated.

The Petroleum Products Marketing segment generates revenue from the sale of white products and company lubricants while the Property business generates income from the rent paid on 11Plc's investment properties leased out to a third party.

23. Share capital and reserves

a) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

b) Dividend payable

Proposed dividends for the year are recognised as a liability after the statement of financial position date, when declared and approved by shareholders at the Annual General Meeting.

c) Share premium

Premiums from the issue of shares are reported in share premium.

d) Retained earnings

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

24. Deferred income

This relates to advance rent received from investment property. The current portion is amortized to income within one year on a straight line basis while the non-current portion is initially carried at initial cost and subsequently at face value.

25. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset other than deferred tax assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

26. Fair value measurement

The fair value of 11Plc's employee loans and its investment properties are reported for disclosure in the financial statements. The Directors oversee all policies, procedures, significant valuation techniques and inputs for fair value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

External valuers are involved for valuation of significant assets, such as investment properties and significant liabilities, such as contingent consideration.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, 11Plc has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The fair value of 11Plc's investment properties and employee loans are categorized as Level 3.

In determining the fair value of the investment properties, the market approach valuation technique was used. There was no change in valuation technique during the year. In estimating the fair value of the investment properties the highest and best use of the properties is their current use.

Amortised cost using the effective interest rate is used in valuing employee loans.

27. Key accounting assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date which may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.11Plc based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Valuation of Investment properties

11Plc carries its investment properties at cost however the fair values of the investment properties are also disclosed. The Company engaged 2 independent valuation specialists to assess the fair value as at November 2017.

The investment property assets were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

There is no significant risk or uncertainty as at June 30, 2019 that will lead to material adjustment of the carrying amounts of assets and liabilities within the next financial year.

28. Key accounting Judgments

In the process of applying the Company's accounting policies, the Directors have made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – 11Plc as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Directors have determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

1 The Company

The Company was incorporated as a private limited liability company in 1951. It became a public limited liability company in 1978 and its share capital is listed on the Nigerian Stock Exchange.

Nipco Plc hold 74.67% of the issued share capital while other investors hold 25.33%.

The Company was formed principally for the marketing of petroleum products. All the fuels which the Company sells are purchased from the Nigerian National Petroleum Corporation and other third party suppliers. Lubricants are blended locally or purchased from ExxonMobil Corporation through a related party.

2 Property, plant and equipment

June 2019	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor Vehicles	Asset under Construction	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At beginning of the year	718,713	6,741,036	7,808,047	333,023	429,864	1,298,558	17,329,241
Additions	-	19,634	125,813	-	-	2,248,302	2,393,749
Transfers from asset under Construction	-	-	758,154	-	-	(758,154)	-
Disposals		-	(8,672)		(15,015)		(23,687)
At the end of the period	**718,713**	**6,760,670**	**8,683,342**	**333,023**	**414,849**	**2,788,706**	**19,699,303**
Depreciation							
At beginning of the year	-	(2,294,194)	(3,533,238)	(272,464)	(306,179)	-	(6,406,075)
Charge for year	-	(138,976)	(201,997)	(20,613)	(24,861)	-	(386,447)
Disposals	-		8,332		15,015		23,347
At the end of the period	**-**	**(2,433,170)**	**(3,726,903)**	**(293,077)**	**(316,025)**	**-**	**(6,769,175)**
Net book value							
June 30, 2019	**718,713**	**4,327,500**	**4,956,439**	**39,946**	**98,824**	**2,788,706**	**12,930,128**

December 2018	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor Vehicles	Asset under Construction	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At beginning of the year	749,269	5,469,837	6,443,546	316,855	356,235	1,368,119	14,703,861
Additions	-	1,342,071	1,027,937	-	71,225	518,765	2,959,998
Transfers from lease							-
Transfers from asset under Construction	-	8,490	501,522	17,850	30,224.25	(558,086)	-
Held for sale	(30,556)	(69,082)	(132,354)	(1,682)			(233,674.38)
Disposals		(10,280)	(32,604)	-	(27,820)	(30,240)	(100,943)
At end of the year	**718,713**	**6,741,036**	**7,808,047**	**333,023**	**429,864**	**1,298,558**	**17,329,241**
Depreciation							
At beginning of the year	-	(2,111,923)	(3,287,791)	(233,740)	(290,330)	-	(5,923,784)
Charge for year	-	(232,858)	(353,369)	(40,406)	(43,669)	-	(670,302)
Held for sale		48,492	104,322	1,682	-		154,496
Transfers from lease	-	-	-	-	-	-	-
Disposals	-	2,094	3,600	-	27,820	-	33,515
At end of the year	-	**(2,294,194)**	**(3,533,238)**	**(272,464)**	**(306,179)**	**-**	**(6,406,075)**
Net book value							
December 31, 2018	**718,713**	**4,446,842**	**4,274,809**	**60,559**	**123,685**	**1,298,558**	**10,923,166**

3 Intangible assets

June 2019	Software Costs	Franchise Costs	Permit	Total
	N'000	N'000	N'000	N'000
Cost				
At beginning of the year	229,582	77,006	15,045	321,633
Additions	-	-	-	-
Disposals	-		-	-
At the end of the period	**229,582**	**77,006**	**15,045**	**321,633**
Amortization				
At beginning of the year	(172,826)	(76,918)	(3,573)	(253,317)
Amortization for the period charged to expense	(11,390)	(88)	(376)	(11,854)
Disposals			-	-
At the end of the period	**(184,216)**	**(77,006)**	**(3,949)**	**(265,171)**
Net Book Value				
June 30, 2019	**45,366**	**0**	**11,096**	**56,462**

December 2018	Software Costs	Franchise Costs	Permit	Total
	N'000	N'000	N'000	N'000
Cost				
At beginning of the year	201,551	91,041	15,045	307,637
Additions	28,031	-	-	28,031
Disposals	-	(14,035)	-	(14,035)
At end of the year	229,582	77,006	15,045	321,633
Amortization				
At beginning of the year	(150,046)	(89,907)	(2,821)	(242,774)
Amortization for the period charged to expense	(22,780)	(1,046)	(752)	(24,578)
Disposals	-	14,035	-	14,035
At end of the year	(172,826)	(76,918)	(3,573)	(253,317)
Net Book Value				
December 31, 2018	**56,756**	**88**	**11,472**	**68,316**

Intangible assets are made up of the cost of upgrading the Company's computer systems, permits and the franchise cost paid, which gives Company owned service stations the right to have named brand in the back-court shops. The assets are amortised using straight line method with a useful life of fifteen, ten and twenty years for the software, franchise and permit cost respectively.

	June 2019	December 2018
4 Investment Property		
Opening balance	23,372,830	25,949,059
Additions	-	-
Disposals	-	-
Depreciation	(1,288,114)	(2,576,229)
Closing balance	22,084,716	23,372,830
Amounts recognized in statement of comprehensive income for the period		
Rental income from investment property	3,821,257	7,893,302
Direct operating expenses from rental generating investment property	(1,293,053)	(2,595,292)
5 Prepayments (Non-Current)		
Rent	1,537,945	1,679,139
Employee benefits	450,921	354,537
Prepayment and deferred charges	1,988,866	2,033,676

This represents prepaid rent for company owned service stations and prepaid employee benefits.

	June 2019	December 2018
Prepayments (Current)		
Rent	106,065	209,691
Trade	1,493,069	2,183,374
Total Prepayments	3,588,000	4,426,741
6 Inventories		
Raw materials	13,422,117	13,907,099
Finished products	3,907,498	3,925,767
Consumable equipment and spares	114,350	85,733
Total	17,443,965	17,918,599
7 Trade debtors and other receivables		
Trade debtors	8,013,322	6,340,883
Other debtors	52,330	1,513
Witholding tax receivable	141,618	637,217
Advances and employee receivables	49,530	110,269
Value Added Tax	9,683	5,169
Due from associated companies:		
Nipco Plc	5,469,238	4,418,839
Total	13,735,721	11,513,890
Aging analysis of trade debtor		
Current	5,846,800	5,537,899
Overdue 1 - 30 Days	1,724,612	617,078
Overdue 31 - 60 days	235,678	45,551
Overdue 61 - 90 days	-	88,507
Overdue 91 - 180 days	179,439	69,350
Overdue 181 days	26,793	5,964
Total	8,013,322	6,364,349
8 Payables and other liabilities		
Trade creditors	5,620,674	1,397,826
Other creditors	2,334,490	1,740,456
Accruals	27,655	59,090
Bridging allowance	3,932,607	3,629,212
Unclaimed dividend and payments	1,385,751	1,385,517
Due to associated companies:		
Agri Chem	2,332,413	-
Total	15,633,590	8,212,101

Included in trade creditors is the deposit fee of 937M made by Dealers. The fair value of financial liabilities included above aproximates the carrying amount.

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	June 2019	December 2018
9 Financial Instruments		
(a) Financial Assets		
Trade receivables	8,013,322	6,340,883
Other receivables (excluding VAT and WHT)	5,571,098	4,530,621
Cash and cash equivalents	4,208,938	2,358,078
Total	17,793,359	13,229,582
Impairment		
Trade receivables	8,041,998	6,378,827
Allowance for expected credit losses	(28,676)	(37,944)
Total	8,013,322	6,340,883
(b) Financial Liabilities		
Trade and other payables (excluding VAT and WHT)	14,247,838	6,826,584
Bank Overdraft	-	1,248,892
Total	14,247,838	8,075,476
10 Deferred revenue		
(a) Portion of deferred revenue due after one year (Non-current)	10,941,552	14,763,734
(b) Portion of deferred revenue due within a year (Current)	7,210,426	6,885,405
11 Deferred income tax		
(a) Deferred tax movement		
At beginning of the period	(2,796,528)	(2,190,178)
Current period charge/(provision)	317,628	(606,350)
At the end of the period	(2,478,900)	(2,796,528)
(b) Deferred tax		
Deferred tax asset		
Advance rent	3,902,277	4,083,864
Bad debt & unrealised forex		-
Total deferred tax asset	3,902,277	4,083,864
Deferred tax liability		
Accelerated depreciation	(6,000,823)	(6,503,218)
Capital gains tax rollover	(345,726)	(345,726)
Bad debt & unrealised forex	(34,628)	(31,449)
Total deferred tax liability	(6,381,177)	(6,880,392)
Net deferred tax asset/(liability)	(2,478,900)	(2,796,528)

12 Pension plan liability

(a) Defined benefit

On the 1st February, 2017, the active members transferred to the Defined Contribution Scheme, leaving annuitants to continue with the Defined Benefit Scheme.

	June 2019	December 2018
(b) Defined contribution	46,668	25,916

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	June 2019	June 2018

13 Disaggregated revenue information

This relates to the disaggregation of the Company's revenue from contracts with customers:

Segments

Types of goods

	June 2019	June 2018
Fuels	74,855,877	70,091,053
Lubes	17,341,810	15,819,940
Liquefied petroleum gas(LPG)	607,599	-
Total revenue from contracts with customers	92,805,286	85,910,993

Geographical markets

	June 2019	June 2018
Nigeria	92,805,286	85,910,993

Timing of revenue recognition

	June 2019	June 2018
Goods transferred at a point in time	92,805,286	85,910,993

Revenue

	June 2019	June 2018
Third party sales	89,796,252	66,181,076
Intercompany sales	3,009,034	19,729,917
Total	92,805,286	85,910,993

	June 2019	June 2018
Assets and liabilities related to contracts with customers	8,013,322	7,262,442

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

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	June 2019	December 2018
14 Current tax analysis:		
Movement in current income tax balance		
At beginning of the period	2,981,363	2,355,463
Payments	(2,163,614)	(2,573,543)
Provision for the period	2,330,732	3,760,175
Withholding tax credit	(5,561)	(560,732)
At the end of the period	3,142,920	2,981,363

	June 2019	June 2018
Taxation charge for the period		
Based on profit for the period :		
Company income tax	2,485,061	2,513,774
Prior year tax adjustment		-
Education tax	165,671	204,388
Current taxes	2,330,732	2,718,162
Deferred tax Profit & Loss	(317,628)	(106,916)
Deferred tax Other Comprehensive income	-	
Total Company Deferred taxes	(317,628)	(106,916)
Taxation Charge Profit & Loss	2,013,104	2,611,246
Taxation Charge Other Comprehensive income	-	-
Total company Taxation charge	2,013,104	2,611,246

The tax charge comprises of company income tax at 30% of taxable income plus education tax at 2% of taxable income before capital allowances.

15 Other income		
Gain/(Loss) on foreign exchange transactions	223,183	(1,094,937)
Other income		
Rent income	3,963,556	4,086,175
Back-court income	42,026	41,371
Others	43,955	306,063
Insurance claim	-	-
Total	4,049,537	4,433,609

Included in the Rent Income is N3,821M relating to rents received from investment properties

Finance Income		
Interest income	51,752	295,761
Total	51,752	295,761
16 Other non-operating income /(expense)		
Profit/(Loss) on disposal of property, plant & equipment	1,411	(28,368)
Total	1,411	(28,368)
Cash and cash equivalents		
17 Bank balance	1,000,757	6,603,066
Short-term bank deposits	3,208,181	-
Trade Deposit	-	807,943
At the end of the period	4,208,938	7,411,009

3,3631M is domiciled in dollars and subject to exchange rate fluctuations.

	June 2019	December 2018
18 Dividends		
At beginning of the period	-	-
Dividend Proposed	2,974,911	2,884,762
Dividend Paid	(2,974,911)	(2,884,762)
At the end of the period	-	-
19 Reserves		
At the beginning of the period	33,608,324	27,164,151
Profit for the period	4,173,180	9,328,935
Dividend paid	(2,974,911)	(2,884,762)
At the end of the period	34,806,593	33,608,324

20 **June 2019**	**Cost**	**Depreciation**	**Carrying value**
		N'000	N'000
Land	30,556	-	30,556
Building	69,082	(48,492)	20,590
Plant and equipment	132,354	(104,322)	28,032
Fixtures and fittings	1,682	(1,682)	-
Total assets	**233,674**	**(154,496)**	**79,178**
Write off of unamortised prepayments			251,323
At the end of the period			**330,501**

December 2018	**Cost**	**Depreciation**	**Carrying value**
		N'000	N'000
Land	30,556	-	30,556
Building	69,082	(48,492)	20,590
Plant and equipment	132,354	(104,322)	28,032
Fixtures and fittings	1,682	(1,682)	-
Total assets	**233,674**	**(154,496)**	**79,178**

The asset held for sale relates to a service station that the Lagos State government intend to use for a project of overriding public interst

20 Segmental Information

As at June 30 2019, the Company had two reportable business segments:
(i) Petroleum Products Marketing (ii) Property Business

All MON's assets are located within Nigeria and there were no export sales made as at June 30, 2019. (2018: Nil)

Segment revenue reported below represents revenue generated from external customers. There were also no intersegment sales as at June 30, 2019 (2018: nil). The accounting policy of the reportable segments below are the same as 11Plc's accounting policies disclosed in the financial statements.

	Petroleun Products Marketing (N'000)	Property Business (N'000)	Total (N'000)
A The segment results for the period ended June 30, 2019 are as follows:			
Revenue	92,805,286	-	92,805,286
Cost of sales	(85,265,164)	-	(85,265,164)
Operating expense	(3,912,192)	(1,293,053)	(5,205,245)
Other income	228,280	3,821,257	4,049,537
Finance income	51,752	-	51,752
Finance costs	(249,882)	-	(249,882)
Profit before tax	3,658,080	2,528,204	6,186,284
Taxation credit/charge	(1,178,316)	(834,788)	(2,013,104)
Profit for the period	2,479,764	1,693,416	4,173,180
The segment results for the period ended June 30, 2018 are as follows:			
Revenue	85,910,993	-	85,910,993
Cost of sales	(76,563,456)	-	(76,563,456)
Operating expense	(4,716,386)	(1,297,646)	(6,014,032)
Other income	464,550	3,969,059	4,433,609
Finance income	295,761	-	295,761
Finance costs	(3,279)	-	(3,279)
Profit before taxation	5,388,183	2,671,413	8,059,596
Taxation	(1,730,441)	(880,805)	(2,611,246)
Profit for the period	3,657,742	1,790,608	5,448,350
B Reconciliation of segment assets and liabilities to total assets and liabilities as at June 30, 2019:			
Intangible assets	56,462	-	56,462
Segmented total assets (excl. cash and cash equivalents & deferred tax)	48,221,388	21,948,106	70,169,494
Segmented total liabilities (excl.bank overdraft & deferred tax)	(17,941,722)	(18,986,766)	(36,928,488)
Deferred tax	-	(2,478,900)	(2,478,900)
Cash and cash equivalents	4,208,938	-	4,208,938
Segmented net assets	34,488,604	482,440	34,971,044
Capital expenditure	2,393,749	-	2,393,749
Depreciation charge for the year	(386,447)	(1,288,114)	(1,674,561)
Reconciliation of segment assets and liabilities to total assets and liabilities as at December 31, 2018:			
Intangible assets	68,316	-	68,316
Segmented total assets (excl. cash and cash equivalents & deferred tax)	45,066,501	23,236,219	68,302,720
Segmented total liabilities	(9,446,577)	(23,396,026)	(32,842,603)
Deferred tax		(2,796,528)	(2,796,528)
Cash and cash equivalents	1,109,186	-	1,109,186
Segmented net assets	36,729,111	(2,956,335)	33,772,775
Capital expenditure	2,988,029	-	2,988,029
Depreciation charge for the year	(670,302)	(2,576,229)	(3,246,531)

Segment assets consist primarily of Investment properties, property, plant and equipment, intangible assets, Inventory, long term receivables, debtors and other receivables. Deferred taxation and cash and short term deposits are not allocated to segments as they are managed on a total company basis.

Segment liabilities comprise current taxation, unamortized rental income, payables and other liabilities and provision for liabilities & charges. Unallocated liability is deferred taxation.

Capital expenditure comprises additions to property, plant and equipment, Investment property and intangible assets.