11PLC

'20 Annual Report & Accounts

Mobil


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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the forty-third Annual General Meeting of the members of **11 Plc** will be held at Nassarawa Hall of Transcorp Hilton, 1, Aguiyi Ironsi Street, Abuja, on **Wednesday, May 19, 2021**, at **11.00 a.m.** to transact the following:

ORDINARY BUSINESS:

1. To lay before the members the Report of the Directors, the audited financial statements for the year ended December 31, 2020 together with the Report of the Independent Auditors and Audit Committee thereon;
2. To declare a dividend.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To disclose the remuneration of the Manager.
5. To elect members of the Audit Committee.

SPECIAL BUSINESS:

6. To fix the remuneration of the Directors.

Notes:

1. PROXY:

In compliance with the Coronavirus Disease (Covid-19) Health Protection Regulations 2021 issued by the Federal Government of Nigeria, limiting the maximum number of persons at a gathering (not more than 50 persons), attendance at this Annual General Meeting (AGM) shall be by Proxy only. The Company has obtained the approval of Corporate Affairs Commission to hold the AGM using Proxies in line with the "Guidelines on Holding of Annual General Meetings (AGM) of Public Companies Using Proxies".

A proxy may be selected from any of the following individuals:

i. Mr. Tunji Oyebanji
ii. Alh. Abdulkadir Aminu Mamman
iii. Chief Paul C. Obi
iv. Oloye Esan Ogunleye
v. Mr. Raphael Osayameh
vi. Barr. G. Adetutu Siyonbola
vii. Alh. Sani Yau
viii. Dr. Patrick Attu
ix. Mr. David O. Odebiyi

To be valid for the AGM, a duly completed Proxy Form must be received in the office of the Registrars, Greenwich Registrars & Data Solutions Limited, No. 274, Murtala Muhammad Way, Alagomeji, Yaba, Lagos State or sent by e-mail to info@gtlregistrars.com not later than Friday, the 14th of May, 2021.

The Company has made arrangements for Stamp Duty to be paid on the proxy forms, at the Company's cost.

2. DIVIDEND WARRANTS AND CLOSURE OF REGISTER

If the proposed dividend of 850 kobo for every share of 50 kobo recommended by the Directors is approved, those shareholders whose names are registered in the Register of Members at the close of business on April 29, 2021 shall have their designated bank accounts credited directly on or before May 21, 2021. Notice is hereby given that the Register of Members and Transfer Books will be closed from April 30, 2021, through May 4, 2021 [both days inclusive] to enable preparation and payment of dividend by the Registrars.

3. NOMINATION FOR THE AUDIT COMMITTEE

The Audit Committee consists of three shareholders and two Directors. In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder as a member of the Audit Committee by giving in writing, notice of such nomination at least 21 days before the date of the Annual General Meeting.

The National Code of Corporate Governance, 2018 (NCCG, 2018) stipulates that members of the Audit Committee should have basic financial literacy and should be able to read the Financial Statements.

4. E-DIVIDEND

Notice is hereby given to all shareholders to open bank accounts for the purpose of dividend payment. A detachable e-dividend payment mandate and change of address form is attached to the Annual Report to enable shareholders furnish particulars of their bank and CSCS Accounts numbers to the Registrar

5. UNCLAIMED DIVIDEND

A number of dividends have remained unclaimed; the list of these unclaimed dividends can be accessed on the following link https://bit.ly/11plc-unclaimed. Shareholders who are yet to claim their outstanding dividends can also complete the e-dividend registration form by downloading the Registrar's E-Dividend Mandate Activation Form, which is available at https://sec.gov.ng/non-mandated/, and submit to the Registrars at Greenwich Registrars & Data Solutions, 274 Murtala Muhammed Way, Alagomeji-Yaba Lagos or their respective Banks for the purpose of claiming their outstanding dividends.

6. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders 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 on or before May 11, 2021.

7. LIVE STREAMING OF THE AGM

The AGM will be streamed live online. This will enable Shareholders and other relevant Stakeholders who will not be attending the meeting physically to be part of the proceedings. The link for the live streaming will be made available on the Company's website: www.11plc.com and by the Registrar, in due course.

8. ELECTRONIC VERSION OF THE ANNUAL REPORT AND ACCOUNTS

Electronic version (e-copy) of the 2020 Annual Report and Accounts will be made available online for viewing and download via the Company's website, www.11plc.com. Shareholders who have updated their records with their email address will also receive the e-copy of the document.

Dated this 29 day of March, 2021
BY ORDER OF THE BOARD

Chris-Olumayowa Meseko, FCIS
Company Secretary
FRC/2018/NBA/00000019003

REGISTERED OFFICE:
11 Plc Apapa Complex,
1 Mobil Road,
Apapa, Lagos.
www.11plc.com

Board of Directors & Corporate Information

COMPANY REGISTRATION NO. RC914

Country of incorporation and domicile:	Nigeria	
Nature of business and principal activities:	Petroleum Products Marketing and Real Estate	
DIRECTORS:		
Mr. Ramesh Kansagra	Chairman	(Appointed with effect from April 1, 2017)
Mr. Adetunji Oyebanji	Managing Director/CEO	(Appointed with effect from April 4, 2017)
Mr. Ramesh Virwani	Chief Operating Officer	(Appointed with effect from April 1, 2017)
Alh. Abdulkadir A. Mamman	Non-Executive Director	(Appointed with effect from April 1, 2017)
Chief Paul Chukwuma Obi	Non-Executive Director	(Appointed with effect from April 1, 2017)
Mr. Rishi Kansagra	Non-Executive Director	(Appointed with effect from April 1, 2017)
Sen. Daniel O. Aluko	Independent Non-Executive Director	(Appointed with effect from February 27, 2020)

COMPANY SECRETARY:	Chris-Olumayowa Meseko
REGISTERED OFFICE:	1, Mobil Road, Apapa, Lagos.
BUSINESS ADDRESS:	1, Mobil Road, Apapa, Lagos.
TELEPHONE:	01-2801600, 2801100
FAX:	01-2801607
WEBSITE:	**www.11plc.com**
PRINCIPAL BANKER	Zenith Bank
AUDITORS:	Grant Thornton Nigeria No. 2A Ogalade Close, Off Ologun Agbaje Street, Off Adeola Odeku Street, Victoria Island Lagos.
REGISTRARS AND	GTL Registrars Limited
TRANSFER OFICER:	274, Murtala Muhammad Way Alagomeji, Yaba Lagos State.

Financial Highlights

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	Group	Company		
	2020	2020	2019	Change %
Revenue	165,496,427	163,907,942	191,676,329	(14)
Profit before taxation	5,702,260	8,988,942	13,107,877	(31)
Taxation	(2,758,074)	(2,758,074)	(4,224,128)	(35)
Profit for the Year	2,944,186	6,230,868	8,883,749	(30)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,944,186	6,230,868	8,883,749	(30)
Earnings per 50k share (kobo)	816	1,728	2,464	(30)
Total assets	93,056,044	95,448,846	91,199,284	5
Capital expenditure	12,382,759	12,290,303	18,273,079	(33)
Authorised share capital	200,000	200,000	200,000	-
Number of 50k shares issued and fully paid up (absolute figures in units)	360,595,261	360,595,261	360,595,261	-

A final dividend of 850 kobo per 50k share held has been proposed. This is subject to Shareholder's ratification.

COMMENTS: CORONAVIRUS (COVID-19) PANDEMIC

**The Covid-19 crisis continues to impact all businesses.
The priority for us is to protect the health, safety and welfare of all stakeholders under our duty of care as well as support the Government and its agencies as they work to reduce the impact of the outbreak.**

At this stage, it is not possible to determine the financial impact of Covid-19 on our Company given the lack of visibility on the end date of the pandemic or on how long it would continue to impact the Nigerian economy. The Company has a strong Balance Sheet and the Board and Management are focusing on efforts to mitigate the impact on our business.

DIRECTORS

MR. ADETUNJI OYEBANJI

MR. RAMESH VIRWANI

ALH. ABDULKADIR AMINU

MR. RAMESH KANSAGRA

MR. RISHI KANSAGRA

MR. PAUL OBI

SEN. DANIEL ALUKO

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Chairman's Statement

Distinguished shareholders, representatives of regulatory agencies present, esteemed ladies and gentlemen, I feel honored to welcome you, on behalf of the Board of Directors, to the 43rd Annual General Meeting of 11 Plc. It is my pleasure to present to you the financial statement and reports for the financial year ended 31 December 2020.

2020 Operating Environment

2020 will long be remembered as the year of the COVID-19 pandemic. The global pandemic took a tragic toll on people and communities, while severely impacting businesses, big and small. It inflicted immense human suffering, ravaged the global economy, and disrupted life everywhere. The pandemic continues to have unprecedented socio-economic and humanitarian impact. It has triggered profound changes in how we live and work, and permanently altered enduring business models, as well as eliciting a deluge of policy responses from global governments.

In Nigeria, the social impact of the pandemic has been depressing with thousands of confirmed cases and about two thousand reported deaths. The effect on the economy was double-edged, as the government experienced steep decline in revenue because of plummeting oil prices, while domestic economic activities were grounded in various states with the Government implementing lockdown restrictions to curtail the spread of the coronavirus disease.

The fall in oil prices and economic effect of the pandemic has remarkably affected the profitability of most companies in the fast-moving consumer goods sector with significant decline in sales because of the constrained purchasing power of most consumers and the closure of most on-trade and off-trade and consumption occasions. The result of the current economic turbulence occasioned by the pandemic and the general poor state of the economy can be seen in various macro-economic indicators with unemployment rate rising as high as 27.1% in August 2020 and inflation 12.56% the highest since March 2018. Also, Gross Domestic Product grew by only about 1.87% with looming recession.

The passage into law of the Finance Act, 2019, amongst other things, increased Value Added Tax from 5% to 7.5%. This change, while increasing government revenue will also have the resultant effect of higher inflation and a squeeze on the disposable income of the average consumer. However, it is hoped that the Government will pursue forward-looking policies that will transform the business environment and re-energize the private sector as the engine of growth of the economy.

Our Performance

The impact of the pandemic on our business was severe. As economic activities shut down, energy consumption collapsed. We adjusted our capital investment plans and developed plans more flexible to market conditions and focused on priority areas that will deliver the strongest returns. It pleases me to report that despite the macro-economic challenges and the effect of the pandemic during the financial year under review, your company made modest gains and sustained its profitability. The Board and Management remain focused and are confident of the future of the company. The business sustainability and diversification strategy that are being implemented provides a solid base for the company to continue to grow and thrive amid challenging business environments.

In line with our tradition of delivering competitive shareholder returns, I am pleased to recommend for your approval, a dividend of 850 kobo subject to applicable deductions. In making this decision, the Board has carefully considered its current and future cash flows, the risks and potential variabilities introduced by COVID-19, and the outlook for growth and profitability.

Our People

It has been an exceedingly difficult year for everybody as we strove to mitigate the impact of COVID-19 on our personal and working lives. Our management team has responded positively to these challenges, resolutely addressing short-term issues whilst not losing sight of our longer-term goals. It has been a huge team effort and on behalf of the Board, I would like to thank them for their commitment and professionalism.

We continue to believe in our people, and I would like to recognize and thank our employees for all the sacrifices they have made during the last financial year. Our employees are our greatest asset, and we are committed to investing and protecting our people during these unprecedented times. Our foremost priority has been to safeguard the health and safety of our employees and to trigger business continuity plans as may be required.

Outlook

While initial lockdowns related to COVID-19 have been relaxed to varying degrees around the world, the threat of second wave remains clear and the economic environment remains uncertain and fragile. Recent progress in the development and rollout of COVID-19 vaccines has given hope of bringing the pandemic under control. However, with new mutations emerging and threatening new waves of infection, we are thus not out of the wood yet but must continue to rigorously implement safe management measures as we continue the global fight against the coronavirus.

11 Plc is well positioned for the future and we expect that as the impact of COVID-19 lessens this should become clearer in our financial performance. In 2021 we will continue to focus on our growth agenda, in implementing our sustainability plan and in further improving our financial performance and strength. We remain focused on creating long-term value for our stakeholders and would leverage our strategic objectives to deliver sustainable value.

Conclusion

The events of the past year were among the most difficult we have ever experienced, yet our employees rose to the challenge. This gives all of us at 11 Plc tremendous confidence in our plans, our people, and our future.

I would like to record my deep appreciation to the employees and the management of the company who have worked safely, flexibly, and tirelessly in support of all our stakeholders during the past financial year. Also, I thank all shareholders for the confidence you have always shown in the Board and management of 11 Plc.

Thank you and God bless you.

Ramesh Kansagra
Chairman, Board of Directors

BUSINESS ENVIRONMENT

The Nigerian business landscape has been highly impacted by the harsh economic disruption caused by COVID-19, particularly with the pronounced decline in global oil prices. According to International Monetary Fund (IMF) data, about 40% of Nigerians now live below the poverty line, while 25% are very vulnerable women and children in dire situations. The reality is that our collective prosperity as Nigerians still hinges on accruable oil revenues which continue to dwindle as crude oil prices remain volatile and downward trending. Under development in the non-oil sectors due in part to poor investment and a huge infrastructure deficit has further stifled the economy and caused a seemingly negative effect from government's fiscal and monetary policies which translates to further hardship for many Nigerians.

As we continue to tackle economic growth and developmental challenges across all spectrums, there is an overwhelming need to reduce our dependency on oil revenues through very pragmatic economic diversification initiatives. Government through private partnerships should endeavor to ramp up efforts to drastically reduce our infrastructural deficit, create enabling business environment for entrepreneurial growth and investment ideas to thrive. Addressing some of these basic challenges plaguing us will ensure a downward trend in the current social ills such as unemployment and underemployment which has been on a steady increase as some experts have postulated that if drastic actions are not taken, we may see more and more households sliding further into poverty. In part, the economic prognosis for Q4 2020 and 1st half 2021 currently suggests that only agricultural and allied industries will have positive growth.

CHALLENGES & GROWTH POTENTIAL

The demand for petroleum products (in particular, White Fuel Products) in Nigeria had maintained a steady upward trajectory driven by increased economic activities prior to COVID 19. However, from Q2 2020, the impact of the pandemic on economic activities in Nigeria has resulted in the decline of the consumption of petroleum products. The lockdown restrictions which were implemented by the Federal Government of Nigeria as part of efforts to curtail the spread of the coronavirus disease affected the consumption of PMS significantly. Thus, by Q4 2020, we expected the volume consumption statistics of products such as PMS, ATK and to a large extent diesel to decline due to the limited economic activities and reduced commuting. However, LPG should show some brighter signs and maintain its upward trend despite the COVID-19 pandemic. The consumption of LPG has recorded an average year on year growth of about 3% in the last five years largely on the back of the sensitization drive put in place by the Federal Government of Nigeria through the NNPC to encourage its use.

RESULTS

We are indeed pleased to report that regardless of the challenging business climate as impacted by lower economic activity as a result of the pandemic, we still recorded a modest performance in 2020, the year under review. 11 Plc made some inroads during the year as we continued to realize some benefits from investments we made in prior years. Our overall performance also mirrors the meticulous strategic decisions made by our astute managerial team during the year as occasioned by the challenges the pandemic presented in the market place. The Turnover for 2020 was 165.49BN and the Profit after tax was 2.94BN.

We are encouraged by our stewardship for the period and positive that as we reinvest and build on our capacity, with our planning and renewed commitment, we will significantly improve on this result next year. You can be rest assured your Company will strive to record growth and deliver impressive returns in the future years to come.

INVESTMENTS

Nigeria has abundance of natural gas reserves in the Niger Delta as well as potential for future exploitation of reserves in other parts of Nigeria. We had long identified potentials in the LPG business segment and encouraged by government's renewed vigor and initiative to drive the penetration and use of LPG across the country both for domestic and industrial use. Nigeria's current LPG consumption rate is around 750,000MT annually, world bank puts her estimated required consumption at 3.2MMT yearly for the country. Meaning, we are hovering around 25% potential consumption. This is a leap compared with our 50,000MT consumption rate in 2007.

a. Derivable benefits from upscaling LPG usage are as follows:

(i) Drastically reducing deforestation and loss of natural habitat for endangered animal species
(ii) Reduce the adverse effect of climate change

(iii) Reduce airborne diseases due to air pollution

b. Continuously hiring and training of personnel to meet current and future expansion requirements.

We are happy to report to our esteemed Shareholders that during the course of the year we succeeded in building the following LPG assets in order to position our company for future growth and development.

1. 2 x 4KMT tanks (Totaling 8KMT capacity) LPG tank farm facility
2. 5.5MLtr firefighting water tank
3. 6KLtr firefighting truck
4. State of the art pump house facility
5. An Odourization unit for leak detection & dozing capability
6. A 5 - Arm loading rack facility
7. An administrative block for our staff and other interfaces
8. A truck park facility upgrade
9. A truck weigh bridge (In & Out)
10. We took delivery of dedicated LPG delivery trucks
11. Increased our stock of 5MT LPG skids
12. Increased our stock of air compressors, water hydrants and generating sets
13. Personal Protective Equipment (PPE) and other safety devices to ensure we deliver a world class LPG operation

Our investment choices have largely been skewed towards non-regulated products in the market place. We continue to invest in our lubricant business segment maintaining optimal inventory of raw materials and finished goods due to the high and constant demand of Mobil lubricants. We continually explore expansion initiatives of our warehousing and state of the art Apapa plant capacity in order to remain a leading edge petroleum marketing company that ensures growth in volume and market share in order to enhance investors' share value.

PEOPLE

Our committed employees strive to deliver significant results in line with the strategic growth objectives of 11 Plc. On your behalf, I wish to thank them for all their exceptional effort and work culture, their diligence to duty and ethical standard, without their outstanding performances we would not have achieved these results. Their positive and proactive responses to the challenging business environment, their numerous personal and collective sacrifices in the very volatile and ever changing circumstances, many a time difficult situations cannot be over emphasized.

THE FUTURE

As we look forward to a brighter 2021 year, we anticipate a gradual return to normalcy in most business segments post COVID 19 pandemic era. Economies will gradually open up for growth as COVID vaccine becomes available to many people in order reduce the harsh impact of the virus. With improvements in economic activities, the leadership of your Company is poised to providing clear cut direction to mitigate against the challenges that may present themselves. We are committed to seeking new areas of opportunity that will guarantee maximum utilization of our investment potentials and deployment of our assets to business segments that will generate more growth and earnings.

At this point, I will seize this opportunity to thank you all our dear shareholders for attending the Annual General Meeting and for the continued support you provide our company as a whole.

I also want to thank the Board, Management, our valued Customers, other partners and stakeholders for supporting our business over the years and solicit for more understanding and support as the future remains bright and we are very positive of continued growth.

Adetunji Oyebanji

Managing Director/ Chief Executive Officer

Report of the Directors

For The Year Ended December 31, 2020

The Directors are pleased to present to the members of the Group, their report and the Audited Financial Statements for the year ended December 31, 2020.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Groups' affairs was satisfactory and no events have occurred since the balance sheet date that would affect the financial statements as presented.

ACTIVITIES

The Company is primarily engaged in the marketing of petroleum products and property business. The Petroleum Products Marketing segment generates income from the sale of white products and lubricants. The Property Business segment generates income from the rent paid on its investment properties and service stations; and income from recently acquired Lagos Continental Hotel.

Results for the year

Company:

	N'000
Revenue	163,907,942
Profit before taxation	8,988,942
Profit after taxation	6,230,868

Your Board recommends for your approval a dividend of N3,060,059,719 that is 850 Kobo per share, subject to the deduction of withholding tax at the appropriate rate. The dividend represents 49% of the Company's after tax profit for the year.

If the recommended dividend is approved at the Annual General Meeting, all shareholders whose names were in the Register of members at the close of the business on April 29, 2021, shall have their designated bank accounts credited directly, on or before May 21, 2021.

If the recommended dividend is approved, the profit retained in the Company as at December 31, 2020 will amount to ₦39,682,833,000 made up as follows:

	N'000
Retained earnings as at December 31, 2020	42,742,892
Proposed Dividends	(3,060,059)
Retained earnings after payment of Dividends	39,682,833

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in the fixed assets is given in Note 3 & 4 of the financial statements.

DIRECTORS

The following Directors were in office during the year ended December 31, 2020:

Mr. Ramesh Kansagra	Chairman (British)
Mr. Adetunji A. Oyebanji	Managing Director (Nigerian)
Mr. Ramesh Virwani	Executive Director(Indian)
Alh. Abdulkadir A. Mamman	Non-Executive Director (Nigerian)
Mr. Paul C. Obi	Non-Executive Director (Nigerian)
Mr. Rishi Kansagra	Non-Executive Director (British)
Sen. Daniel O. Aluko	Independent Non-Executive Director

BRIEF RESUME OF DIRECTORS

MR. RAMESH KANSAGRA

Mr. Ramesh Kansagra is a first class degree holder (BSc. Hons.) in Microbiology, University of London.

He is the Managing Director, Solai Holdings Limited (SHL) with over 30 years managing the Group. SHL has a Net Asset Value in excess of £240 million and are involved in oil trading, raw materials for the ceramics industry, agriculture and food industries processing with various investments in Africa and the United Kingdom.

Mr. Ramesh Kansagra is a recipient of the honorary award of the Member of the Federal Republic of Nigeria (MFR).

MR. ADETUNJI A. OYEBANJI

Mr. Adetunji A. Oyebanji obtained a Bachelor of Science Degree in Economics from the University of Lagos in June 1979. He also holds an MBA in Marketing from the City University, London, United Kingdom.

He joined Mobil Oil Nigeria in December 1980 and has held several positions in the Company including Branch Manager North, Branch Manager West, Manager Fuels Services and Marketing Director. In addition, he has held several offshore appointments including Executive Director, Mobil Oil Ethiopia, Executive Director, Mobil Oil Cameroun and Manager Industrial and Wholesale Fuels (Africa/ Middle East), Exxon Mobil Petroleum & Chemicals Co. He was first appointed to the Board in December 2002 and after several foreign assignments was re-appointed in August 2007. In October 2008, he was appointed Chairman and Managing Director.

Mr. Oyebanji has attended numerous training programs at home and abroad including a two-year developmental assignment in 1993 at Mobil's corporate headquarters in Virginia, USA.

He is a member of several professional bodies and a Fellow of the National Institute of Marketing of Nigeria and Institute of Directors Nigeria. He is also an alumnus of the Thunderbird School of Global Management, Arizona, USA and the Lagos Business School Senior Management Program.

Mr. Oyebanji retained his role as the Managing Director and oversees the entire operations of the Company after the acquisition of 60% ExxonMobil controlling shares in October 2016 by Nipco Investments Limited and the Change in Control in April 2017,

ALH. ABDULKADIR A. MAMMAN

A civil engineer by profession, Alh. Abdulkadir A. Mamman has over 25 years of experience in oil and gas sector.

He has successfully established and piloted numerous private Companies in oil and gas which includes Azkard International Limited and A.A. Mbamba Petroleum Group, since early 90s to date. He is one of the founding fathers of Nipco Plc, as well as its Group Executive Director.

He has served on the Boards of several regulatory agencies in the petroleum sector, including Petroleum Products Pricing & Regulatory Agency (PPPRA) and the Petroleum Equalization Fund (PEF).

He is the immediate past IPMAN National President and is currently the Chairman Board of Trustees of IPMAN. Alhaji Abdulkadir has also served the country under the Palliative Committee set up by then President, Chief Olusegun Obasanjo to cushion the effects of increase in price of petroleum products. A prestigious title holder of Sarki Hurmi Adamawa and a council member of the emirate.

MR. RAMESH VIRWANI

Mr. Ramesh Virwani is a chartered Accountant, with over 25 years' experience in the field of Finance and Accounts. He worked for Purebond Limited, United Kingdom in various capacities in different parts of Nigeria.

He joined Nipco Plc as a General Manager, Finance and Accounts in 2008; he became the Executive Director, Finance in January, 2011. He assumed the role of Executive Director and Chief Operating officer in 11Plc in April, 2017.

CHIEF PAUL CHUKWUMA OBI (KSC)

Chief Paul Obi, a Lawyer, has been in active legal practice for thirty years. A graduate of the University of Lagos, he is a Notary Public. He is also an Associate member, Chartered Institute of Arbitrators, London as well as a member of International Bar Association. He has a master's degree in Law with specialization in Oil and gas law and Practice. He has a strong flair for Commercial practice and Civil litigation.

He is the Managing Partner of P. C. OBI & Co, a firm of Legal Practitioners which he established in 1993. The firm P.C. Obi & Co is the external Legal Adviser to 11 Plc. The firm also serves as Company Secretaries and Legal Advisers to many other corporate institutions across many sectors. Chief Paul Obi sits on several boards and is the chairman of Sir Paul Obi Foundation.

MR. RISHI KANSAGRA

Mr. Rishi Kansagra is a graduate of Harvard Business School and Somerville College, University of Oxford, having studied Philosophy, Politics and Economics.

He currently sits on various advisory Boards such as Vivo Energy, Iodine Global Network, Nipco plc, Bridge International Academies in Nigeria, as well as being an Executive Director of Solai Holdings- a group operating in oil and gas, manufacturing and logistics assets throughout East and West Africa since 2006.

He previously worked with Bank of England (2002 – 2004) and Chevron Corporation (2004-2006).

SENATOR DANIEL O. ALUKO

Senator Daniel Aluko is a graduate of the College of Energy and Petroluem Studies, Oxford England with a post graduate degree in International Oil Trading and Pricing. He had his first degree in Geography with specialization in regional Planning from the University of Benin in 1982

He is the Executive Chairman of Alsteg & Midlands Limited and serves as an external consultant to Chevron Nigeria Mid-Africa Strategic Business Unit. He retired as the Director**,** Government Affairs, Policy, Government and Public Affairs -Chevron Nigeria Mid Africa Strategic Business Unit (NMASBU) in January 2018. He has over 25 years' experience in the oil and gas industry.

He was also a Senator of the Federal Republic of Nigeria representing Ekiti South Senatorial District from 1999-2003. As a member of the 4th National Assembly, he served as the Chairman Senate Committee on Petroleum (Downstream) and Vice Chairman Senate Committee on Gas among other committees.

He is a member of several professional bodies with various awards to his credit. A recipient of fellowships & grants from foreign universities and bodies including the prestigious Stanford University Graduate School of Business.

DIRECTORS' INTEREST

The Directors' interest in the Issued Share Capital of the Company as recorded in the Register of Members and in the Register of Directors' holdings and contracts as notified by them for the purposes of section 301 of the Companies and Allied Maters Act (CAMA, 2020) are as follows:

	Number of Shares As at Dec 31, 2020	Number of Shares As at Dec 31, 2019
Mr. Adetunji Oyebanji	21,757	21,757

DIRECTORS INTEREST IN CONTRACTS

None of the Directors have notified the company for the purpose of section 303(1) of the Companies and Allied Matters Act (CAMA, 2020) of any declarable interest in contracts with which the company is involved up to 29 th February, 2021.

Changes on the Board
There were no changes made on the Board for the year ended December 31, 2020

Directors' Remuneration
The Company ensures that remuneration paid to its Directors complies with the provisions of the National Code of Corporate Governance issued by its regulators.

In compliance with Section 257 of the Companies and Allied Matters Act, 2020 and Section 16(8) of the National Code of Corporate Governance for Public Companies as issued by the Financial Reporting Council of Nigeria, the company makes disclosure of its remuneration to its managers as follows:

Type of package Fixed	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors and Managers only. Reflects the company competitive salary package and the extent to which the company's Objectives have been met for the financial year.	Paid monthly during the financial year.
Other allowances	Part of gross salary package for Executive Directors and Managers only. Reflects the company industry competitive salary package and the extent to which the company's objectives have been met for the financial year.	Paid at periodic intervals during the financial year.
Director fees	Paid annually on the day of the Annual General Meeting ('AGM') to Non-Executive Directors only.	Paid annually
Sitting allowances	Allowances paid to Non-Executive Directors only, for attending Board and Board Committee Meetings.	Paid after each Meeting.

INDEPENDENT AUDITORS

The Auditors, Messrs. Grant Thornton Nigeria have indicated their willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act, (CAMA, 2020). A resolution will be proposed at the Annual General Meeting to authorize the Board of Directors to fix their remuneration.

AUDIT COMMITTEE

The members of the Audit Committee appointed at the last Annual General Meeting have met and will at this meeting, in accordance with the provisions of the Companies and Allied Matters Act, present their report to you.

MAJOR SHAREHOLDING

According to the Register of members, the shareholder below held more than 5% of the issued share capital of the Company as at December 31, 2020:

Nipco Investments Limited, which had 284,209,825 ordinary shares of 50kobo each, representing 78.82%.

ANALYSIS OF SHAREHOLDING

The Company's issued and paid up share capital as at December 31, 2020 was ₦180, 297,630.50 divided into 360,595,261 ordinary shares of 50 kobo each. The following is the analysis of shareholdings in the Register of members as at that date:

SHARE RANGE	NO. OF S'HOLDERS	%OF S'HOLDERS	NO. OF HOLDINGS	%OF S'HOLDING
1 - 1,000	21,397	68.77	7,120,642	1.97
1,001 - 10,000	8,793	28.26	23,910,854	6.63
10,001 - 50,000	756	2.43	14,532,702	4.03
50,001 - 100,000	88	0.28	5,971,711	1.66
100,001 - 500,000	68	0.22	14,881,650	4.13
500,001 - 1,000,000	6	0.02	4,474,565	1.24
1,000,001 - 10,000,000	3	0.01	5,493,312	1.52
10,000,001 & Above	1	0.00	284,209,825	78.82
TOTAL	**31,112**	**100**	**360,595,261**	**100**

FULLY PAID SHARE CAPITAL HISTORY

Bonus Year	Ratio	Units	52,450,220units (Initial Share Capital)
1981	1:2	26,225,110	78,675,330 (cumulative)
1984	1:4	19,668,832	98,344,162 (cumulative)
1987	1:3	32,781,388	131,125,550 (cumulative)
1994	1:10	13,112,550	144,238,105 (cumulative)
1999	1:3	48,079,368	192,317,473 (cumulative)
2002	1:4	48,079,368	240,396,841 (cumulative)
2007	1:4	60,099,210	300,496,051 (cumulative)
2011	1:5	60,099,210	360,595,261 (cumulative)

CONTRIBUTIONS AND CHARITABLE GIFTS

The Company made contributions, sponsorships and charitable gifts amounting to ₦3,675,000 in the year 2020 (2019 ₦17,150,000).

The breakdown is as follows:

Association of Professional Women Engineers of Nigeria	500,000.00
Association of Energy Correspondents of Nigeria	500,000.00
Nigeria British Chamber of Commerce	500,000.00
Downstream Development Africa/ OTL Downstream	2,175,000.00
	3,675,000.00

One Corporate Social Responsibility the company is very proud of is her well developed and impressive programme for students of tertiary institutions on industrial attachment. Almost the year round, students on attachment are offered opportunities to undergo well supervised training that promote acquisition of various management/technical skills on our operational sites. The Company has on consistent basis contribute positively to the communities within its business operations

EXPANSION AND DIVERSIFICATION SCHEME

In line with the company's investment drive, the company invested in a new line of business with the acquisition of Lagos Continental Hotel, Lagos under the management of 11 Hospitality Limited (A subsidiary of 11 Plc). The operation of the business was delayed due to the challenges that came with the COVID-19 pandemic. There is still much to be done in order to upgrade the hotel to best international standard. Nevertheless, the Hotel is up and running providing high quality service. As a subsidiary, it is expected to contribute positively to the Group bottom line.

EMPLOYMENT AND EMPLOYEES

The Company is an equal opportunity employer and does not discriminate on any grounds. Employment opportunities are open to all suitable qualified Nigerians irrespective of their place of origin, gender, age, sexual orientation, disability, political opinion or faith. The Company continues to pursue its policy of non-discrimination in recruitment and continued employment, offering physically challenged persons' career opportunities. In the period under review, the Company employed 1 person.

DISTRIBUTION OF PRODUCTS

The Company distributes its products through a network of outlets and distributors as well as some direct sales to end-users. Fuel products are supplied from the company's terminal at Apapa Lagos, PPMC depots and third-party terminals. Our route to the lubricants market is through accredited distributors across the country.

BY ORDER OF THE BOARD

Chris-Olumayowa Meseko
FRC/2018/NBA/00000019003
Company Secretary

Dated this 29 day of March, 2021

For The Year Ended December 31, 2020

The Company is committed to the highest standard of corporate governance in all its activities and conducts its business with utmost integrity, taking into account the legitimate interest of all its stakeholders.

This statement describes the Company's corporate governance practices that were in place throughout the financial year ended December 31, 2020.The Company ensures compliance with the Code of Corporate Governance issued by the Securities and Exchange Commission. The Company's Code of Corporate Governance is continuously reviewed to align with additional legal and regulatory requirements.

The Board in the course of the 2020 financial year executed various governance initiatives/activities which included; the review of the Company's Corporate Governance Code and Charters of the Board and its Committee in order to align with relevant code and guideline. The Board members also carried out their annual self-assessments in compliance with the terms of reference outlined in the Board Charter.

The Company recorded 100% compliance with required statutory returns to Corporate Affairs Commission, Securities and Exchange Commission, The Financial Reporting Council of Nigeria, Nigeria Stock of Exchange and other regulatory bodies while appropriate disclosures concerning the business were made available periodically as required by relevant laws and regulations.

The Board of Directors

The primary function of the Board of Directors (the Board) is to provide effective leadership and direction to enhance the long-term value of the Company to its shareholders and other stakeholders. The Board oversees the business affairs of the Company. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, and corporate governance practices.

In addition, the principal duties of the Board include:

- Setting the Company's strategic objective and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.
- Overseeing the process for evaluating the adequacy of internal control, risk management, financial reporting and compliance.
- Appointing the Company's Chief Executive Officer and approving the remuneration policies and guidelines for the Board and senior management.
- Reviewing the performance of senior management and overseeing succession planning for senior management.
- Setting the Company's values and standards (including ethical standards) and ensuring those obligations to shareholders and other stakeholders are understood and met.

Board Size and Board Composition

As at December 31, 2020, the Board comprised seven directors; 2 of which are Executive Directors whilst 4 are Non-Executive Directors and 1 Independent Non-Executive Director. In taking into account the nature and scope of the Company's businesses, the Board believes that the current composition and size provides sufficient diversity without interfering with efficient decision-making.

Roles of the Chairman and the Chief Executive Officer

The Chairman and the CEO functions in the Company are assumed by different individuals. The Chairman, Mr. Ramesh Kansagra, is a Non-Executive Director, while the Chief Executive Officer (CEO), Mr. Adetunji Oyebanji, is an Executive Director.

There is a clear division of responsibility between the Chairman and CEO, which strikes a balance in power and authority at the top of the Company.

The Chairman:

- Is responsible for leadership of the Board and is pivotal in creating the conditions for overall effectiveness of the Board, board committees and individual directors.
- Takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and Management.
- Approves the agendas for the Board meeting and ensures sufficient allocation of time for thorough discussion of agenda items.
- Promotes an open environment for debates and ensures Non-Executive Directors are able to speak freely and contribute effectively.
- Exercises control over quality, quantity and timelines of information flow between the Board and management.

- Provides close oversight, guidance, advice and leadership to the CEO and management.
- Plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management at AGMs and other shareholder meetings.

The CEO is the highest ranking executive officer of the Company. The CEO is responsible for:
- Running the day-to-day business of the Company, within the authorities delegated to him by the Board.
- Ensuring implementation policies and strategy across the Company as set by the Board.
- Day-to-day management of the executive and senior management team.
- Leading the development of senior management within the Company with the aim of assisting in the training and development of suitable individua ls for future director roles.
- Ensuring that the Chairman is kept appraised in a timely manner of issues faced by the Company and of any important events and developments.
- Leading the development of the Company's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

Role of Non-Executive Directors

The Board and management fully appreciate that an effective and robust Board whose members engage in open and constructive debate, and challenge management on its assumptions and proposals, is fundamental to good corporate governance.

The Company has adopted initiatives to put in place processes to ensure that Non-Executive Directors have sufficient time and resources to discharge their oversight function effectively. These initiatives include that:

Regular informal meetings are held by management to brief the Non-Executive Directors on prospective deals and potential developments at an early stage, before formal Board's approval is sought.

Periodic information papers and board papers on the latest market developments and trends, and key business initiatives are circulated to Non-Executive Directors on a timely basis to afford the directors time to review them.

The Company has also made available on the Company's premises an office for use by the Non-Executive Directors at any time for meetings without the presence of management.

Directors' Attendance at Board Meetings

DIRECTORS	February 18, 2020	February 27, 2020	May 27, 2020	July 21, 2020	October 13, 2020
Mr. Ramesh Kansagra	✓	✓	✓	✓	✓
Mr. Adetunji Oyebanji	✓	✓	✓	✓	✓
Alh. Abdulkadir A. Mamman	✓	✓	✓	✓	✓
Mr. Paul C. Obi	✓	✓	✓	✓	✓
Mr. Ramesh Virwani	✓	✓	✓	✓	✓
Mr. Rishi Kansagra	X	✓	✓	✓	✓
Sen. Daniel O. Aluko	NYA	✓	✓	✓	✓

Keys

✓ **= Present**

X = Absent with apology

NYA = Not Yet Appointed

Board Committee

Finance, Governance and General Purpose Committee

The Board in the course of the year constituted the Finance, Governance and General Purpose Committee as standing Committee to oversee issues relating to Audit, Finance, Corporate Governance, Nomination and Risk assessment responsibilities of the Board. The Committee makes recommendation to the Board after its meetings. The setting up of the Committee is in compliance with the recommendation of the Ad-hoc committee that was earlier set up by the Board to review and advise it on the general provisions in the National Code of Corporate Governance, 2018 issued by the Financial Reporting Council. The Committee has four members and is chaired by Sen. Daniel O. Aluko, an Independent Non-Executive Director. The Company Secretary serves as Secretary to the Committee.

The terms of reference of the committee include but not limited to the following:

- Regular review and assess the size and composition of the Board and Board Committees, and recommend the appropriate Board structure, size, age, skills, competencies, composition, knowledge, experience and background in line with needs of the business and the diversity required to fully discharge the Board's duties.
- Recommendation of membership criteria for the Board, Board Committee and subsidiary company Board.
- Identification at the request of the Board of specific individuals for nomination at Executive level of Management and to make recommendations on the appointment and election of New Directors to the Board.
- Review of the effectiveness of the process for the selection and removal of Directors and to make recommendations where appropriate.
- Ensure that there are approved policies for best corporate governance practice.
- Regular monitoring of compliance with Company's policies, code of ethics and business conduct.
- The review of the effectiveness of Company's overall risk management strategy.
- The identification and evaluation of new strategic risks including corporate matters involving regulatory, business development issues, etc.
- Review of the risk scorecard and determination of the risks to be escalated to the Board.
- Review the activities, findings, conclusions and recommendations of the auditors relating to the company's financials.
- Review the Management Letter of the External Auditor and Management's response thereto.
- Review and recommend to the Board for approval, the contingency plan for specific risks.
- Conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile.
- Handle any other issue referred to the Committee from time to time by the Board.

Attendance at Finance, Governance and General Purpose Committee

MEMBERS	October 29, 2020	December 9, 2020
Sen. Daniel O. Aluko	✓	✓
Alh. Abdulkadir A. Mamman	✓	✓
Chief Paul C. Obi	✓	✓
Mr. Ramesh Virwani	✓	✓

Keys

✓ **= Present**

Statutory Audit Committee

The Statutory Audit Committee was established in line with section 359 (2) of the Companies and Allied Matters Act, 2004 (CAMA, 2004) which is now Section 404(2) (CAMA, 2020). In 2020 Financial year end, the Committee consisted of three (3) representatives of the shareholders elected at the Annual General Meeting (AGM) and three (3) Non-Executive Directors. However, in compliance with the provision of the CAMA, 2020 (earlier cited) membership of the Committee has now been reduced to Five (Three shareholders' representatives and two directors' representatives). The Committee is chaired by Mr. Esan Ogunleye, a shareholder's representative while the Company Secretary serves as the Secretary to the Committee. The Committee meets every quarter, but could also meet at any other time, should the need arise. The Chief Financial Officer, Audit and Control Manager as well as the External Auditors are invited from time to time to make presentation to the Committee. All members of the Committee are financially literate.

The functions of the Statutory Audit Committee as listed in the terms of reference are:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- Review the scope and planning of audit requirements.
- Review the findings on management matters in conjunction with external auditors and departmental responses thereon.
- Keep under review the effectiveness of the Company's system of accounting and internal control.
- Make recommendations to the Board in regard to the appointment, removal and remuneration of external auditors of the Company to ensure the independence and objectivity of the external auditors and that there is no conflict of interest which could impair the independent judgment of the external auditors.
- Authorize the internal auditors to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.
- Assist in the oversight of the integrity of the Company's financial statements and establish and develop the internal audit function.
- Make a recommendation to the Board on the Dividend payout.

Attendance at Audit Committee Meetings

MEMBERS	February 27, 2020	May 27, 2020	July 21, 2020	October 30, 2020
Mr. Esan Ogunleye	✓	✓	✓	✓
Mr. Raphael Oluwole Osayemeh	✓	✓	✓	✓
Barrister G. Adetutu Siyonbola	✓	✓	✓	✓
Mr. Ramesh Virwani	✓	✓	✓	X
Mr. Paul C. Obi	✓	✓	✓	✓
Alh. Abdulkadir A. Mamman	✓	✓	X	✓

Keys

✓ **= Present**

X = Absent with apology

Induction and Training of Directors

The Company conducts orientation programs for new directors to familiarize newly appointed directors with business and governance policies. The orientation programs give directors an understanding of the Company's business to enable them to assimilate into their new roles. The program also allows the new directors to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management. The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education from reputable governance institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong.

Board Performance

The Board conducted a self-evaluation assessment at the end of the 2020 financial year to measure its effectiveness as a whole and the contribution of each individual director. The evaluation considers the range and balance of skills, experience, independence and knowledge of the Company, its diversity, how the Board works together as a unit and any other factor considered relevant to its effectiveness. The strengths were recognized and weaknesses were addressed.

Access to Information

Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the directors on an ongoing basis to enable them make informed decisions to discharge their duties and responsibilities.

In order to allow directors sufficient time to prepare for the meetings, all Board and Board committee papers are distributed to the directors at least a week in advance of the meeting. Any additional material or information requested by the directors is promptly furnished. Employees who are able to provide additional insight into matters to be discussed are invited during Board and committee meetings.

The Board on its part recognizes the need to communicate and disseminate information regarding the operations and management of the company to all relevant stakeholders (including shareholders, regulatory authorities, media, analysts and the general public).

Independent Professional Advice

The Board has a process for directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the company's expense.

Accountability and Audit

The Company recognizes the importance of providing the Board with accurate and relevant information on a timely basis. The reports keep the Board members informed of the Company's performance and position.

The directors are responsible for preparing the financial statement of the Company and ensuring that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures timely publication of the financial statements of the Company.

Internal Control and Risk Management

The Company has established an in-house internal audit function. The internal audit is an independent function within the Company. The Head of Internal Audit reports directly to the Audit Committee functionally and to the CEO administratively.

The primary role of internal audit function is to assist the Board and senior management to meet the strategic and operational objectives of the Company, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The Company's internal audit approach is aligned with the Company's risk management framework by focusing on key financial, operational, compliance and information technology risks. The annual internal audit plan is reviewed and approved by the Audit Committee. All internal audit findings, recommendations and status of remediation, are circulated to the Audit Committee, the CEO, the external auditors and relevant senior management.

The Head of Internal Audit presents the internal audit findings to the Board. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the audit Committee.

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 promotes an ethical corporate culture. Every Director and employee subscribes to comply with the Company's Standards of Business Conduct which covers our business principles and ethics.

Compliance Statement

In the course of 2020, none of our directors, employees and counterparts notified us of any contravention of the Post-Listing Requirements of the Nigerian Stock Exchange and Securities Trading Policy.

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

The Company complied with the requirements guiding its operations and activities throughout the year and ensures that its existence and operations remain within the law.

Whistle-Blowing Policy

The Company is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company will treat all information received confidentially and protect the identity and the interest of all whistleblowers.

All cases reported are objectively investigated and appropriate remedial measures are taken where warranted. Matters requiring immediate or urgent attention are reported immediately to the Audit Committee Chairman.

On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Company's efforts to promote awareness of fraud control.

Securities Trading Policy

In accordance with the amended Post-Listing Requirements of the Nigerian Stock Exchange, the Company has put in place a securities trading policy which has been circulated to all directors, employees and counterparts who may at any time possess inside or material information about the Company. This is to guard against situations where such personnel in possession of confidential and price sensitive information deal with Company's securities in a manner that amounts to insider trading.

In addition to the above, the company makes necessary disclosure as required under Rule 213 of the Securities and Exchange Commission which stipulates that Directors and top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the company, not later than forty-eight (48) hours after such activity.

Communication Policy
The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the company to shareholders, stakeholders and the public is timely, accurate and continuous, to give a balanced and fair view of the company's financial and non-financial matters. The company's website http://www.11 Plc.com is constantly updated with information as events occur.

External Auditors' Report
The Company conducts a review of the management letters provided by the External Auditors Annual Audit. The objective is to ensure that all identified deficiencies are promptly corrected and recommendations implemented in line with approved best practices and local regulatory guidelines.

Complaints Management Policy
The Company has put in place a complaints management policy framework to resolve complaints arising from issues covered under the Investments and Securities Act, 2007 (ISA). This can be found on the Company's website.

Sustainability Policy

The Company's 's sustainability policy aligns with its sustainability strategy in achieving the following goals:

- Shared Prosperity in the area of enhancing local content & capacity, developing local skills and social investment
- Responsible operations with focus on safety and wellness, responsible oil and gas marketing organization
- Environmental stewardship
- Equality & Transparency through good corporate governance practice and promoting equality.
- Corporate Social responsibility – We focus to establish sustainable partnership with our stakeholders within our policy guidelines on Community development.

Safety, Security, Health & Environment (SSHE)

The Company takes pride in its Safety, Security, Health & Environment programs (SSHE). The Company takes the health of its employees seriously; consequently, it has always maintained an on-site well-equipped Clinic manned by qualified and competent medical personnel. In addition, the Company also engages top health care providers to look after the health care needs of employees and their dependents. We comply with relevant statutory provisions and regulations on SSHE. In addition to the foregoing, the company annually organizes awareness programs such as the 2020 SSHE Week with this year's theme "Fire: the Ultimate Destroyer", the provision of a well manned Firefighting Truck/Tender for any emergencies and many other related activities, to mention a few.

Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that Company's Memorandum and Articles of Association, relevant rules and regulations, as well as laws are complied with. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The appointment and the removal of the Company Secretary is subject to the Board's approval.

Shareholders Participation and Protection of Shareholders' Rights

The Company recognizes the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including minority shareholders are protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Company's business activities, financial performance and other business related matters. This is done in line with the Code of Conduct for shareholders issued by the Securities and Exchange Commission.

All general meetings of shareholders are convened by the Board in accordance with the provisions of the Companies and Allied Matters Act and notices of meetings, agenda and all other statutory notices are communicated to the shareholders within the time specified by the laws.

The Company encourages shareholders' participation during the Annual General Meeting which is held in an accessible location. Shareholders are able to proactively engage the Board and management on the Company's business activities, financial performance and other business related matters.

BY ORDER OF THE BOARD

Chris-Olumayowa Meseko, FCIS
Company Secretary
FRC/2018/NBA/00000019003

Dated this 29 day of March, 2021.

Company Secretary

Statement of Directors' Responsibilities

The Companies and Allied Matters Act requires the directors to prepare the financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. This responsibility includes:

a) Ensuring that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act.
b) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
c) Preparing the Group's financial statements using the suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and with the requirements of the Companies and Allied Matters Act 2020 and in compliance with Financial Reporting Council(FRC) act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.

Adetunji A. Oyebanji
Director
Dated this 29 day of March, 2021
FRC/2014/IODN/00000007151

Virwani Ramesh
Director
Dated this 29 day of March, 2021
FRC/2014/ANAN/00000009240

Statement of Corporate Responsibility on Preparation Financial Statements

Further to the provision of section 405 of the Companies and Allied Matters Act, 2020, we the Managing Director/CEO and Finance Director of 11 Plc (the Company) respectively hereby certify as follows:

a) That we have reviewed the Audited Financial Statements (AFS) of the Company for the year ended 31^{st} December, 2020.

b) That the AFS represents the true and correct financial position of our Company as at the said date of 31^{st} December, 2020.

c) That the AFS does not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

d) That the AFS fairly presents, in all material respects, the financial condition and results of operation of the company as of and for the year ended 31^{st} December, 2020.

e) That we are responsible for establishing and maintaining internal controls and affirm that the company's internal controls were effective as of 31^{st} December, 2020.

f) That all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data have been disclosed to the Independent Auditor and the Audit Committee.

Adetunji A. Oyebanji
Director
Dated this 29 day of March, 2021
FRC/2014/IODN/00000007151

Virwani Ramesh
Director
Dated this 29 day of March, 2021
FRC/2014/ANAN/00000009240

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF 11 PLC

Chartered Accountants

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Opinion

We have audited the consolidated financial statements of **11 Plc (the "Company"), and its subsidiary (the "Group")**, which comprise of the consolidated statement of financial position as at **31 December 2020**, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act No. 6, 2011 and the provision of the Companies and Allied Matters Act, 2020

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. We have communicated the key audit matters to those charged with governance (TCWG). The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit of the consolidated 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 the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key audit matter	How our audit addressed the key audit matter
Accounting for the acquisition of Lagos Continental Hotel During the year, 11 Plc (Group) acquired Lagos Continental Hotel through its subsidiary (11 Hospitality Limited) for a purchase consideration of N22.1billion. 11 Hospitality Limited carry-on business as hoteliers, hotel proprietors and hotel managers. Given the higher assessed risk of material misstatement and significant management judgment regarding the identification/ measurement of identifiable assets acquired and liabilities assumed, we considered the accounting for this acquisition to be a key audit matter. As part of our audit procedures for the accounting of the acquisition: • We reviewed the deeds of assignment and Contract for sale to obtain an understanding of the transactions and the key terms. • We assessed the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms and economic circumstances. • We compared the key assumptions within each assessment to market evidence and applicable industry data.	• We assessed that the identifiable assets acquired, and liabilities assumed met the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements at the acquisition date. • We engaged our internal specialist to re-perform an independent assessment of the procedures performed. • We validated the appropriateness and completeness of the related disclosures in Note 34 of the consolidated financial statements. Based on our procedures performed and our assessment of the disclosures made, we are satisfied that accounting for the acquisition is in accordance with the standard. **Other Information** The directors are responsible for the other information. The other information comprises of the Managing Director's Foreword, Chairman's Statement Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities, Report of the Statutory Audit Committee and Other National Disclosures, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include 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 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 on the other information obtained prior to the date of this auditor's report, 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 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 Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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In preparing the consolidated financial statements, management

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

i) Identify and assess the risks of material misstatement of the consolidated 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.

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern 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 consolidated 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.

v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transaction 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.

Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act, 2020 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 purpose of our audit.

ii) In our opinion, proper books of account have been kept by the company; and

iii) The Group's Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.

29 March 2021

Uchenna Okigbo, FCA
FRC/2016/ICAN/00000015653
For: GRANT THORNTON
(Chartered Accountants)
LAGOS, NIGERIA.

16/ICAN
0466332

Report of the Audit Committee

To the Members of 11 Plc

In compliance with Section 404 sub-section 7 of the Companies and Allied Matters Act, 2020, the committee reviewed the audited financial statements of the Group for the year ended December 31, 2020 and report as follows:

1. The accounting and reporting policies of the Group are consistent with legal requirements and agreed ethical practices.

2. The scope and planning of the external audit was adequate.

3. The Group maintained effective systems of accounting and internal control during the year.

4. Having reviewed the External Auditors' findings and recommendations, we are satisfied with management responses thereon.

Mr. Esan Ogunleye
FRC/2013/CIBN/00000003821
Chairman,
Audit Committee.

Dated this 29 day of March, 2021

Members of Audit Committee:

Barr. G. Adetutu Siyonbola	FRC/2019/NBA/00000016583
Mr. Ramesh Virwani	FRC/2014/ANAN/00000009240
Mr. Raphael Osayemeh	FRC/2013/CIBN/00000002190
Alhaji Abdulkadir A. Mamman	FRC/2021/008/00000022657
Mr. Paul C. Obi	FRC/2014/NBA/00000009236

Consolidated Statement of Financial Position as at December 31, 2020

	Note(s)	Group 2020 N. '000	Company 2020 N. '000	Company 2019 N. '000
Assets				
Non-current assets				
Property plant and equipment	3	37,900,172	17,742,970	28,377,610
Investment property	4	18,222,889	18,222,889	20,796,632
Right-of-use-assets	7	1,846,256	1,846,256	1,527,470
Intangible assets	6	21,164	21,164	44,696
Investments in Subsidiary	8	-	22,100,000	-
Prepayments	10	37,234	37,234	86,558
		58,027,715	59,970,513	50,832,966
Current assets				
Inventories	11	9,056,750	8,974,765	16,713,440
Trade and other receivables	12	10,645,834	11,454,789	14,199,551
Prepayments	10	4,743,465	4,715,152	2,462,575
Cash and cash equivalents	15	10,582,280	10,333,627	6,660,251
		35,028,329	35,478,333	40,035,817
Assets held for sale	36	-	-	330,501
Total assets		93,056,044	95,448,846	91,199,284
Equity and Liabilities				
Equity				
Share capital	16	180,298	180,298	180,298
Share premium	16	14,380	14,380	14,380
Retained earnings	17	39,456,210	42,742,892	39,486,935
Total equity		39,650,888	42,937,570	39,681,613
Non current liabilities				
Deferred income	20	10,609,117	10,609,117	12,805,166
Deferred tax liability	9	4,829,400	4,829,400	3,483,517
Borrowings	18	5,000,000	5,000,000	-
Total non-current liabilities		20,438,517	20,438,517	16,288,683
Current liabilities				
Trade and other payables	23	24,919,231	24,025,351	18,872,750
Borrowings	18	-	-	3,617,000
Deferred income	20	7,167,901	7,167,901	9,418,164
Current tax payable	22	583,250	583,250	2,767,932
Bank overdraft	15	296,257	296,257	553,142
Total current liabilities		32,966,639	32,072,759	35,228,988
Total liabilities		53,405,156	52,511,276	51,517,671
Total Equity and Liabilities		93,056,044	95,448,846	91,199,284

The accounting policies and notes on pages 33 to 80 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 March 29, 2021 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

(Registration number RC 914)
Consolidated Financial Statements for the year ended December 31, 2020

Consolidated Statement of Profit or Loss for the year ended December 31, 2020

		Group	Company	
	Note(s)	2020 N.'000	2020 N.'000	2019 N. '000
Revenue	25	165,496,427	163,907,942	191,676,329
Cost of sales	27	(152,676,159)	(152,516,303)	(175,035,841)
Gross profit		**12,820,268**	**11,391,639**	**16,640,488**
Other income	26	9,076,241	9,076,241	8,042,462
Selling and distribution expenses	28	(6,467,220)	(6,467,220)	(7,007,774)
Administrative expenses	28	(9,480,549)	(4,765,238)	(4,520,544)
Other operating expense	28	-	-	(35,552)
Operating profit		**5,948,740**	**9,235,422**	**13,119,080**
Finance income	30	229,378	229,378	298,900
Finance costs	29	(475,858)	(475,858)	(310,103)
Profit before taxation		**5,702,260**	**8,988,942**	**13,107,877**
Income tax expense	31	(2,758,074)	(2,758,074)	(4,224,128)
Profit for the year		**2,944,186**	**6,230,868**	**8,883,749**
Per share information				
Basic earnings per share (kobo)	32	**816**	**1,728**	**2,464**

The accounting policies and notes on pages 33 to 80 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the year ended December 31, 2020

	Share capital N '000	Share premium N '000	Other reserves N '000	Retained earnings N '000	Total equity N '000
Group					
For the year ended December 31, 2020					
Balance as at January 1, 2020	180,298	14,380	-	39,486,935	39,681,613
Profit for the year	-	-	-	2,944,186	2,944,186
Total	180,298	14,380	-	42,431,121	42,625,799
Dividends	-	-	-	(2,974,911)	(2,974,911)
Balance as at December 31, 2020	**180,298**	**14,380**	**-**	**39,456,210**	**39,650,888**
Company					
For the year ended December 31, 2019					
Balance as at January 1, 2019	180,298	14,380	-	33,578,097	33,772,775
Profit for the year	-	-	-	8,883,749	8,883,749
Total	180,298	14,380	-	42,461,846	42,656,524
Dividends	-	-	-	(2,974,911)	(2,974,911)
Balance as at December 31, 2019	180,298	14,380	-	39,486,935	39,681,613
For the year ended December 31, 2020					
Balance as at January 1, 2020	180,298	14,380	-	39,486,935	39,681,613
Profit for the year	-	-	-	6,230,868	6,230,868
Total	180,298	14,380	-	45,717,803	45,912,481
Dividends	-	-	-	(2,974,911)	(2,974,911)
Balance as at December 31, 2020	**180,298**	**14,380**	**-**	**42,742,892**	**42,937,570**
Note(s)	16	16	17	17	

The accounting policies and notes on pages 33 to 80 form an integral part of these financial statements.

11Plc

(Registration number RC 914)
Consolidated Financial Statements for the year ended December 31, 2020

Consolidated Statement of Cash Flows for the year ended December 31, 2020

		Group	Company	
	Note(s)	2020 N. '000	2020 N. '000	2019 N. '000
Cash flows from operating activities				
Profit before taxaton		5,702,260	8,988,942	13,107,877
Adjustment for non cash items				
Net finance cost/(income)	29&30	246,480	246,480	11,203
Depreciation of PPE and investment property	3&4	4,882,613	3,393,846	3,357,127
Depreciation of right-of-use asset	7	216,364	216,364	194,570
Amortization of intangible assets	6	23,532	23,532	23,620
(Gain)/ Loss on Sale of Property, Plant and Eqiupment	3	(270,302)	(270,302)	35,552
Amortisation of deferred rental income	4	(7,660,720)	(7,660,720)	(7,630,271)
Exchange (gain)/loss		(102,937)	(102,937)	(44,747)
Operating profit before working capital changes		**(2,664,971)**	**(4,153,737)**	**(4,052,946)**
Working capital adjustments/changes				
(Increase)/Decrease in inventories	11	8,203,176	7,738,675	1,205,158
(Increase)/Decrease in due from related companies	12	7,236,876	6,169,106	(2,818,037)
(Increase)/Decrease in trade receivables and bridging claims	12	(2,808,378)	(2,808,378)	(74,850)
(Increase)/Decrease in other debtors and prepayments	12	(2,776,261)	(2,489,133)	1,161,014
(Increase)/Decrease in due to related companies	23	5,133,200	4,933,494	5,126,965
Increase/(Decrease) in trade creditors & bridging allowance	23	(1,442,657)	(1,709,858)	5,171,589
Increase/(Decrease) in other creditors and accruals	23	2,355,943	1,928,967	362,096
Net changes in current assets and liabilities		**15,901,899**	**13,762,874**	**10,133,936**
Income taxes paid	22	(3,596,459)	(3,596,459)	(3,078,072)
Rental income received	20	3,214,408	3,214,408	8,204,462
Net cash generated from operating activities		**18,557,137**	**18,216,027**	**24,315,256**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	(12,382,759)	(12,290,303)	(18,273,079)
Proceeds from sale of property, plant and equipment	3	275,140	275,140	2,153
Interest received	30	229,378	229,378	298,900
Net cash used in investing activities		**(11,878,241)**	**(11,785,785)**	**(17,972,026)**
Cash flows from financing activities				
Borrowing	18	1,383,000	1,383,000	3,617,000
Dividend paid	33	(2,974,911)	(2,974,911)	(2,974,911)
Finance to purchase right-of-use-assets	7	(535,150)	(535,150)	(1,722,040)
Interest Paid	29	(475,858)	(475,858)	(310,103)
Net cash used in financing activities		**(2,602,919)**	**(2,602,919)**	**(1,390,054)**
Net (Decrease)/Increase in cash and cash equivalents		**4,075,977**	**3,827,323**	**4,953,176**
Cash and cash equivalents at January 1		6,107,109	6,107,109	1,109,186
Effect of exchange (gain)/loss movement on cash balances		102,937	102,937	44,747
Cash and cash equivalents at December 31	15	**10,286,023**	**10,037,370**	**6,107,109**

The accounting policies and notes on pages 33 to 80 form an integral part of these financial statements.

Reporting Entity

11 Plc (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. As at December 31, 2020, Nipco Group shareholding in 11 Plc is 78.82% while other investors hold 21.18%.

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

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.

In 2020, 11 Plc acquired the full and complete ownership of Lagos Continental hotel as her wholly owned subsidiary. 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 consolidated financial statement of the Company has 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 March 29, 2021.

2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at December 31, 2020. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with investee and has the ability to affect those returns through its power over the investee. 11 Plc has 100% control of her wholly owned subsidiary 11 Hospitality formerly called Lagos Continental hotel.

3. Business Combination

Business combination are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. When the Company acquired its subsidiary 11 Hospitality it acquired all the assets "without recourse" to any outstanding liability. The value of the asset was assessed as appropriate and of same value with the purchase consideration. For business combination acquisition-related cost are expensed as incurred and included in administrative expenses. No contingent liability/asset was transferred at acquisition.

4. Investment in Subsidiary

11 Plc adopts a policy of accounting for its investments in subsidiary at cost less impairment. The reference to 'cost' includes an amount which applies to shares issued as consideration for the acquisition of a subsidiary. The cost is stated based on the nominal value of the shares issued rather than at fair value.

5. Functional and presentation currency

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

6. 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 amortized cost
- inventory measured at lower of cost and net realizable value
- trade receivables measured at amortized cost.

7. 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.

8. 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.

9. Current versus non-current classification

The Group 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 realized or intended to be sold or consumed in the normal operating cycle

• Held primarily for the purpose of trading

• Is due to be realized 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.

10. 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.

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

11. Investment property

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

Investment property is initially recognized 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 Group 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 – 5

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

Investment properties are derecognized 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 recognized in profit or loss in the period of derecognition.

12. 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 Group 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 Group 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 – 5

13. Intangible assets

The Group’s intangible assets are classified into three groups:

a) Software License:

These are acquired computer software licenses and are capitalized on the basis of costs incurred to acquire and bring to use the specific software. The costs are amortized on a straight line basis over 15 years which is the estimated useful life of the software. Upgrades are amortized 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 capitalized amounts paid to UAC Nigeria plc. (UAC), which gives the Company the right to use the "Mr. Biggs" Brand in its retail outlets. Amortization is calculated using the straight line method to allocate the franchise costs over the period of the agreement between 11 Plc 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 amortized using the straight line method.

Intangible assets amortization is recognized 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 amortization 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.

14. Financial instruments

a) Initial recognition and measurement

Financial instruments are recognized initially when the Group becomes a party to the contractual provisions of the instruments. The Group initially measures its financial instruments at fair value. See accounting policy 29 on fair value measurement.

b) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured at amortized cost. The amortized 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 amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

c) Derecognition

In determining whether the financial asset is due for derecognition, the Group 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 group 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 recognized in the statement of profit or loss.

d) Classification

Financial assets

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

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

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

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

The Group's financial assets are subsequently measured at amortized 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 Group are measured at amortized costs. The Group's financial liabilities include:

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

II. Borrowings: measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized 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 recognized 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 capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Financial liabilities are measured at amortized cost by the Group 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 recognized amounts and there is an intention to settle it on a net basis, to realize 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 Group'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 in current liabilities on the statement of financial position.

g) Impairment

The Group recognizes loss allowances for expected credit losses (ECL) on trade receivables. The Group 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 Group 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 Group 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.

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

Deferred tax liabilities are recognized 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 unutilized tax credit. Deferred tax assets are recognized 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 utilized, 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 utilized.

16. Leases: Right-of-use

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.

The lease contract is for the service station lands.

IFRS 16 replaces existing leasing guidance, including IAS 17 ‘Leases’ and IFRIC 4 ‘Determining whether an arrangement contains a lease’.

Lessees are to be to accounted for most contracts under an on-balance sheet model, with the distinction between operating and finance leases being removed.

As a lessee

Recognize right-of-use lease assets and lease liabilities on the balance sheet:

The right-of-use asset is measured at cost less accumulated depreciation and impairment losses. The lease term over which the asset will be depreciated is based on the contract terms. This can range from 5 - 99 years.

The Company also has certain leases with lease terms of 12 months or less and low value leases. The Company has elected to apply the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for those leases.

Liabilities are measured based on the present value of future lease payments over the lease term. The Company pays the total lease amount on inception of the lease, as such, recognition of liability is not applicable.

As a lessor

The policy remains the same.

a) 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 investment properties presented in the statement of financial position are in line with the accounting policy disclosed in note 4.

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.

17. 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 realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. If the carrying value exceeds the net realizable value, an inventory writes down is recognized.

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

18. Employee benefits

The Group 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 recognized 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 recognized 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 11 Plc 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 19. 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.

See note 19 on defined benefit scheme.

c) Termination benefits

Termination benefits are recognized an expense when the Group 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 Group settles termination benefits within twelve months and are accounted for as short-term benefits.

19. Provisions and contingencies

Provisions are recognized as best estimates on statement of financial position date. They are recognized when the Group 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 recognized 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.

20. Revenue recognition

The Group 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) or rendering of service (by providing a room, sales of food and beverages to hotel guest) in exchange for a consideration. The subsidiary is a hospitality company which largely offer lodging, meals and guest services to clients. Revenue from contracts with customers is recognize when it is established that a transfer of goods and service has taken place at a consideration that the subsidiary expects to be entitle in exchange for such manner of goods and services

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/service confirmation, or at the point of load confirmation for pick-ups. Rooms/accommodation service is deemed performed at the time of checking in by the customer. Revenue is recognized over the time period of stay as the customer utilizes the provision of the benefit from the accommodation. 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. Revenue from hospitality business is recognized based on the contract price net of any agreed discount and commissions

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 Group derives revenue from four major categories namely: fuels, liquefied petroleum gas, lubricants and hospitality service. The Group 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 further details on page 71.

21. Interest Income

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

22. Other Income

Other income refers to all other sources of income apart from the sale of petroleum products and hospitality service which the Group receives. The Group generate revenue from other stream which includes amongst others, rental income, backcourt income, laundry service, business center, gym, space rental and secretarial service.

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 backcourt on some of the Company’s service stations by UAC, Devyani, Finger licking, Eat n go, Food concept, Sommes, Royalty bakery, Abraham seed, Mandalas and UPS.

23. 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.

24. 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 translated at the official rates prevailing at that day while non-monetary items that are measured in terms of historical cost in foreign currency are not translated.

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.

25. 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). See further details in note 39.

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 its investment properties and service stations; and income from recently acquired Lagos Continental Hotel.

26. 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.

e) Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of shares outstanding during the year.

27. 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.

28. Impairment of non-financial assets

The Group 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 Group 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.

29. Fair value measurement

The fair value of the 11 Plc’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, the Group 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 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.

30. 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.11 Plc 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 Group. Such changes are reflected in the assumptions when they occur.

Valuation of Investment properties

11 Plc carries its investment properties at cost however the fair values of the investment properties are also disclosed in the investment property note 4. The Company engaged 2 independent valuation specialists to assess the fair value as at April 2019.

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 December 31, 2020 that will lead to material adjustment of the carrying amounts of assets and liabilities within the next financial year.

31. Key accounting Judgments

In the process of applying the Group’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:

Lease commitments – 11 Plc 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.

Financial risk management

Financial instruments in the consolidated statement of financial position comprise of cash and cash equivalents (Note 15), trade and other receivables (Note 12), trade and other payables (Note 23).

The Directors are responsible for reviewing and agreeing policies to manage the risk the Group's operations are exposed to. The Group's operations are exposed to the following risks:

Capital risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, provide returns to shareholders, benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes borrowings, overdraft and cash and cash equivalents disclosed in Note 15 and 18 and equity as disclosed in the consolidated statement of financial position Notes 16 and 17.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or utilise assets to reduce debt.

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position.

The Group is not exposed to any external imposed capital requirement.

The gearing ratio at the end of the reporting period was as follows:

	Group	Company	
Debt to Equity Ratio	**2020**	**2020**	**2019**
	(N'000)	**(N'000)**	**(N'000)**
Total debt (i)	(5,296,257)	(5,296,257)	(4,107,142)
Cash and bank balances	10,582,280	10,333,628	6,660,251
Net Assets	5,286,023	5,037,371	2,553,109
Total equity (ii)	39,649,400	42,937,570	39,681,613
Net debt /equity	-	-	-

(i) Total debt is the overdraft facility gotten from the bank and borrowings as disclosed in note 15 and 18.
(ii) Total equity includes all capital and reserves of the Group as described in note 16 and 17.

Liquidity risk

cidity risk is the risk that an entity will have difficulties in paying its financial liabilities

The Group manages liquidity risks by maintaining adequate reserves and prudent working capital management. In addition, the Group has access to sufficient debt funding sources and to committed borrowing facilities to meet current business requirements.

The Group does not have any risk concentrations as the Group can get extended facility from suitable sources.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

2020	Less than 3 months (N'000)	Between 3 months and 1 year (N'000)	Greater than 1 year (N'000)
Trade and other payables	22,975,006	-	-
Borrowings	5,000,000		
Bank overdraft	296,257	-	-

Company

2020	Less than 3 months (N'000)	Between 3 months and 1 year (N'000)	Greater than 1 year (N'000)
Trade and other payables	22,252,074	-	-
Borrowings	5,000,000		
Bank overdraft	296,257	-	-

2019	Less than 3 months (N'000)	Between 3 months and 1 year (N'000)	Greater than 1 year (N'000)
Trade and other payables	17,203,645	-	-
Borrowings	3,617,000		
Bank overdraft	553,142	-	-

Trade and other payables excludes VAT payables, WHT, consumption tax and unclaimed dividends.

At the end of the year, the Group had the following overdraft facilities:

Bank Name	Facility Type	Facility Amount (N'000)	Used Lines (N'000)	Interest Rates (%)
Zenith Bank	Uncommitted	12,000,000	296,257	12%

The Carrying amount of the used lines of overdraft equals its fair value.

Liquidity risk on cash is limited because the counterparties are banks with good credit-ratings. At the end of the financial year, the Group had the following cash balances:

			N'000
	Group	Company	
Rating	**2020**	**2020**	**2019**
A-2	447,439	447,439	
A	9	9	9
B	8,838,563	8,589,910	6,107,100
N/A	1,000,012	1,000,012	
	10,286,023	**10,037,370**	**6,107,109**

The bank ratings were obtained from Standard & Poor's and Fitch rating agencies.

Interest risk

The Group is exposed to interest rate risk because it borrows funds at rates subject to movements in the money market. The Group's interest risk arises from overdraft and borrowings from banks.

The Group does not manage its exposure to interest rate risk and does not apply ECL on it because the maximum exposure envisaged is deemed negligible as illustrated by the interest rate sensitivity below.

Interest expense relates to expense on overdraft and interest payable to dealers for deposits with the Company.

The analysis below shows the impact of a ±1% change in the interest rates on the Statement of Profit or Loss as at end of December 2020.

Group

2020	Interest Expense	Annualized int. As at Dec 2020.	Naira (Sensitivity + 1%)	Naira (Sensitivity - 1%)
	(N'000)	%		
Net financing	475,858	11.5	11.5	(11.5)

Company

2020	Interest Expense	Annualized int. As at Dec 2020.	Naira (Sensitivity + 1%)	Naira (Sensitivity - 1%)
	(N'000)	%		
Net financing	475,858	11.5	11.5	(11.5)

2019	Interest Expense	Annualized int. As at Dec 2019.	Naira (Sensitivity + 1%)	Naira (Sensitivity - 1%)
	(N'000)	%		
Net financing	310,103	15.3	15.3	(15.3)

Credit Risk

The Group's credit policy ensures that credit sales are only made to credit worthy customers. These policies include detailed credit assessment of individual customers and regular monitoring of credit balances. Other policies include securing the credits with bank guarantees from Group selected 'A' rated banks and introducing deposit schemes for the customers.

Mitigating measures are defined and implemented for high-risk customers. These include shortened payment terms, vigorous collection efforts and limiting the amount of credit exposure to any individual customer.

There is no material concentration of credit risk geographically or with individual customers and there has been no significant level of counterparty default in recent years.

	Group	Company	
Age analysis of receivables(Net amount)	**2020 (N'000)**	**2020 (N'000)**	**2019 (N'000)**
Current	8,321,188	9,130,143	4,994,164
Overdue 1 - 30 days	1,160,385	1,160,385	1,518,400
Overdue 31 - 60 days	324,305	324,305	4,386,208
Overdue 61 - 90 days	534,079	534,079	-
Overdue 91 - 180 days	28,105	28,105	37,508
Overdue 181 days	277,772	277,772	3,070,128
Total	**10,645,834**	**11,454,789**	**14,006,408**

	December 31, 2020 (**N'000**)	December 31, 2020 (**N'000**)	December 31, 2019 (**N'000**)
Trade receivables	9,246,623	9,246,623	6,475,063
Allowance for expected credit losses	(22,513)	(22,513)	(59,331)
	9,224,110	9,224,110	6,415,732

Information about the Group's impairment policies and the calculation of the loss allowance are provided on page 38 and 39.

Bank Balance

Counterparties are banks with good credit-ratings. The maximum exposure to credit risks in the Group bank balance as at the end of 2020 financial year is limited to N10B.

Foreign Exchange Risk

The Group transacts a significant portion of its purchases and some of its sales in foreign currency, and is exposed to foreign exchange risk on these transactions. The Group has no long term assets or liabilities denominated in foreign currency. It offsets its foreign currency assets and liabilities and settles the net exposure at prevailing exchange rates. The liabilities are payments due to foreign suppliers and assets are foreign currency prepayments and deposits to products. The Group does not hedge its foreign exchange exposure and instead seeks to recover currency effects through product pricing where appropriate.

The table below shows the before tax impact to Statement of Profit or Loss of a ± 10% movement in the exchange rate

Bank and Open Items

2020	Foreign Currency	Exchange Rate	Naira at Dec 2020	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	-	-	-	-	-
EURO	-	-	-	-	-
USD	4,289.32	400.33	1,717,143	171,714	(171,714)

2019	Foreign Currency	Exchange Rate	Naira at Dec 2019	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	-	-	-	-	-
EURO	-	-	-	-	-
USD	1,110.28	364.700	404,919.12	40,492	(40,492)

Trade receivables / (payables)

2020	Foreign Currency	Exchange Rate	Naira at Dec 2020	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	-	-	-	-	-
EURO	-	-	-	-	-
USD	4,161.80	400.33	1,666,093.39	166,609	(166,609)

2019	Foreign Currency	Exchange Rate	Naira at Dec 2019	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	-	-	-	-	-
EURO	-	-	-	-	-
USD	4,613.79	364.700	1,682,649.21	168,265	(168,265)

The group balance in 2020 is the same as the Company's balance.

*Naira weakens by 10%

**Naira strengthens by 10%

Market Risk

The Company is primarily exposed to market price risk on its sales of non-regulated fuel products and lubricants. The company manages this exposure by forecasting demands and monitoring events in the global market.

For regulated fuel products and Petrol the Company's exposure is limited to changes in government policy relating to regulated price.

The Group does not use commodity price swaps, options or futures to hedge against price risk. Changes in market price for non-regulated products are reflected in the Group's product pricing.

1. New Standards and Interpretations

1.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

Temporary exceptions have been created by the IASB concerning the application of specific hedge accounting requirements as a result of the interest rate benchmark reform. These exceptions apply only to those hedging relationships which are directly affected by the reform, being those where the reform gives rise to uncertainties about:

(a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

(b) the timing or the amount of interest rate benchmark -based cash flows of the hedged item or of the hedging instrument.

The exceptions are as follows:

(a) When determining whether a forecast transaction is highly probable, it shall be assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

(b) When assessing the economic relationship between the hedged item and the hedging instrument, entities shall, in their prospective assessments, assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the reform.

(c) Entities applying IAS 39 for hedge accounting are not required to undertake the IAS 39 retrospective assessment for hedging relationships directly affected by the reform.

(d) For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at inception of such hedging relationships.

Entities shall cease applying the exceptions when the uncertainty arising from the reform is no longer present or when the hedging relationship is discontinued.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The impact of the amendment is not applicable in the current year.

Definition of a business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The company has adopted the amendment for the first time in the 2020 financial statements.

The adoption of this amendment has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements.

Notes to the Financial Statements

1. New Standards and Interpretations (continued)

Presentation of Financial Statements: Disclosure initiative

The amendment clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The company has adopted the amendment for the first time in the 2020 financial statements.

The impact of the amendment is not material.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The company has adopted the amendment for the first time in the 2020 financial statements.

The impact of the amendment is not material.

1.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after January 1, 2021 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after January 1, 2023.

The company expects to adopt the amendment for the first time in the 2023 financial statements.

Notes to the Financial Statements

1. New Standards and Interpretations (continued)

It is unlikely that the amendment will have a material impact on the company's financial statements.

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after January 1, 2023.

The company expects to adopt the standard for the first time in the 2023 financial statements.

It is unlikely that the standard will have a material impact on the company's financial statements.

Notes to the Financial Statements

Changes in accounting policies and disclosures (continued)

2 Reclassification between classes of assets

The company has restated the advances & employee receivables in trade and other receivables and prepayments of prior period to recognise the appropriate treament of IAS 19

	As previously reported	Adjustment	Restated
Current assets	**N. '000**	**N. '000**	**N. '000**
Trade and other receivables	13,875,781	323,770	14,199,551
Prepayments	2,431,809	30,766	2,462,575
Non-current assets			
Prepayments	441,094	(354,536)	86,558

Prior period restatement

Total Assets	**December 31,2020 N. '000**	**Increase/ (Decrease) N. '000**	**December 31,2020 (restated) N. '000**
Prepayments	2,431,809	30,766	2,462,575
Trade & other receivables	13,875,781	323,770	14,199,551
Current assets	**16,307,591**	**354,536**	**16,662,126**
Prepayments	441,094	(354,536)	86,558
Non-current assets	**441,094**	**(354,536)**	**86,558**

Notes to the Consolidated Financial Statements

N '000

3. Property, plant and equipment

Group

	2020		
	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)
Land	1,895,153	-	1,895,153
Buildings	19,747,184	(3,087,942)	16,659,242
Plant and machinery	21,827,457	(5,157,043)	16,670,414
Furniture and fixtures	3,027,360	(758,740)	2,268,620
Motor vehicles	610,071	(393,549)	216,522
Asset under construction	190,221	-	190,221
Total	**47,297,446**	**(9,397,274)**	**37,900,172**

Company

	2020			2019		
	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)
Land	1,895,153	-	1,895,153	1,649,546	-	1,649,546
Buildings	7,422,792	(2,841,454)	4,581,338	7,137,486	(2,546,198)	4,591,288
Plant and machinery	15,335,763	(4,482,291)	10,853,472	9,056,634	(3,919,977)	5,136,657
Furniture and fixtures	228,484	(198,965)	29,519	332,129	(311,994)	20,135
Motor vehicles	579,064	(385,797)	193,267	463,080	(338,728)	124,352
Asset under construction	190,221	-	190,221	16,855,632	-	16,855,632
Total	**25,651,477**	**(7,908,507)**	**17,742,970**	**35,494,507**	**(7,116,897)**	**28,377,610**

Reconciliation of property, plant and equipment - Group 2020

Notes to the Consolidated Financial Statements

N '000

3. Property, plant and equipment (continued)

	Opening balance 11 Plc (N.'000)	Opening balance 11 Hospitality (N.'000)	Additions (N.'000)	Disposals (N.'000)	Transfers (N.'000)	Depreciation (N.'000)	Total (N.'000)
Land	1,649,546	-	245,607	-	-	-	1,895,153
Buildings	4,591,288	12,324,392	230,813	-	54,493	(541,744)	16,659,242
Plant and machinery	5,136,657	6,429,030	703,214	(4,838)	5,533,476	(1,127,125)	16,670,414
Furniture and fixtures	20,135	2,781,234	17,642	138,436	(103,645)	(585,182)	2,268,620
Motor vehicles	124,352	18,857	128,134	-	-	(54,821)	216,522
Asset under construction	16,855,632	-	-	-	(16,665,411)	-	190,221
	28,377,610	**21,553,513**	**1,325,410**	**133,598**	**(11,181,087)**	**(2,308,872)**	**37,900,172**

Reconciliation of property, plant and equipment - Company 2020

	Opening Net book value (N.'000)	Additions (N.'000)	Disposals (N.'000)	Transfers (N.'000)	Investment in Subsidiary (N.'000)	Depreciation (N.'000)	Closing Net book value (N.'000)
Land	1,649,546	245,607	-	-	-	-	1,895,153
Buildings	4,591,288	230,813	-	54,493	-	(295,256)	4,581,338
Plant and machinery	5,136,657	640,550	(4,838)	5,533,476	-	(452,373)	10,853,472
Furniture and fixtures	20,135	-	-	34,791	-	(25,407)	29,519
Motor vehicles	124,352	115,984	-	-	-	(47,069)	193,267
Asset under construction	16,855,632	11,057,349	-	(5,622,760)	(22,100,000)	-	190,221
	28,377,610	**12,290,303**	**(4,838)**	**-**	**(22,100,000)**	**(820,105)**	**17,742,970**

Asset held for sale is disclosed in note 36.

There are no contractual committments for the acquisition of Property, Plant & Equipment and no borrowing costs have been capitalised.

An alternate analysis of Property, Plant & Equipment is presented on page 78 & 79.

Notes to the Consolidated Financial Statements

N '000

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company 2019

	Opening Net book value (N.'000)	Additions (N.'000)	Disposals (N.'000)	Transfers (N.'000)	Depreciation (N.'000)	Closing Net book value (N.'000)
Land	718,713	930,833	-	-	-	1,649,546
Buildings	4,446,842	431,793	(29,780)	23,242	(280,809)	4,591,288
Plant and machinery	4,274,809	507,018	(7,926)	774,100	(411,344)	5,136,657
Furniture and fixtures	60,559	788	-	-	(41,212)	20,135
Motor vehicles	123,685	46,801	-	1,430	(47,564)	124,352
Asset under construction	1,298,558	16,355,846	-	(798,772)	-	16,855,632
	10,923,166	**18,273,079**	**(37,706)**	**-**	**(780,929)**	**28,377,610**

Notes to the Consolidated Financial Statements

4. Investment property

Group	2020		
	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)
Investment property	33,389,782	(15,166,893)	18,222,889

Company	2020			2019		
	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)
Investment property	33,389,782	(15,166,893)	18,222,889	33,389,783	(12,593,151)	20,796,632

Reconciliation of investment property - Group 2020

	Opening balance (N.'000)	Depreciation (N.'000)	Total (N.'000)
Investment property	20,796,632	(2,573,743)	18,222,889

Reconciliation of investment property - Company 2020

	Opening balance (N.'000)	Depreciation (N.'000)	Total (N.'000)
Investment property	20,796,632	(2,573,743)	18,222,889

Reconciliation of investment property Company - 2019

	Opening balance (N.'000)	Depreciation (N.'000)	Total (N.'000)
Investment property	23,372,830	(2,576,198)	20,796,632

A detailed presentation of investment property is presented on page 81.

Details of valuation

The company has five investment properties comprising of one office complex, and four residential properties.

The extensive refurbishment of Mobil house was completed in 2017. The costs involved in the refurbishment have been capitalised and depreciation has started running on the assets created.

The valuations of the investment properties were performed by 2 independent valuers, Sunbo Onitiri & Co (FRC/2014/00000002931) and Ismail and Partners Chartered Surveyors & Real Estate Consultants. (Gbenga Ismail: FRC/2012/NIESV/00000000245).The fair value of the investment properties as at April 2019 was 6.8 Billion.

Fair value information is disclosed in note 37.

There are no restrictions on the remittance of income and proceeds of disposal.

Amounts recognised in profit and loss for the year before tax

Rental income relating to investment property	7,660,720	7,660,720	7,630,271
Direct operating expenses from rental generating property	(2,587,251)	(2,587,251)	(2,586,078)
	5,073,469	**5,073,469**	**5,044,193**

5. Interest in Joint Operations

Included in property plant & equipment is N234million (2019: N92million) (Land & Building: N23million (2019: N25million), Furniture & fixtures:N0.4million (2019: N0.9million), Plant and machinery: N97million (2019: N55million), Vehicles: N122million (2019: N11million) which relates to the company's interest in joint operations.

Notes to the Consolidated Financial Statements

5. Interest in Joint Operations (continued)

The Company recognised total costs of N157million (2019: N112million) in expenses that relate to costs incurred in its joint operations.

The Company has a fifty percent (50%) interest in a joint arrangement with Total Nigeria plc. for storage and handling of jet fuel to aircraft at the Murtala Muhammed Airport Domestic Terminal.

In addition, the Company has a twenty percent (20%) interest in the Joint Users Hydrant Installation used to refuel aircraft at Murtala Muhammed Airport international terminal. The Company combines its share of the joint assets, income and expenditure, assets and liabilities and cash flow on a line-by-line basis with similar items in the Company's financial statements. The Company classifies its share of the joint operation's assets, according to the nature of the assets; while operating costs of the joint facility are shared based on throughput.

11Plc has no obligation to decommission these assets and has not recognized any decommissioning costs.

6. Intangible assets

Group	2020		
	Cost (N.'000)	Accumulated amortisation (N.'000)	Carrying value (N.'000)
Computer software, other	229,582	(218,386)	11,196
Other intangible assets	15,045	(5,077)	9,968
Total	**244,627**	**(223,463)**	**21,164**

Company	2020			2019		
	Cost (N.'000)	Accumulated amortisation (N.'000)	Carrying value (N.'000)	Cost (N.'000)	Accumulated amortisation (N.'000)	Carrying value (N.'000)
Franchise cost	-	-	-	77,006	(77,006)	-
Software cost	229,582	(218,386)	11,196	229,582	(195,606)	33,976
Permits	15,045	(5,077)	9,968	15,045	(4,325)	10,720
Total	**244,627**	**(223,463)**	**21,164**	**321,633**	**(276,937)**	**44,696**

Reconciliation of intangible assets - Group 2020

	Opening balance (N.'000)	Amortisation (N.'000)	Total (N.'000)
Computer software, other	33,976	(22,780)	11,196
Other intangible assets	10,720	(752)	9,968
	44,696	**(23,532)**	**21,164**

Reconciliation of intangible assets - Company 2020

	Opening balance (N.'000)	Amortisation (N.'000)	Total (N.'000)
Software cost	33,976	(22,780)	11,196
Permits	10,720	(752)	9,968
	44,696	**(23,532)**	**21,164**

Reconciliation of intangible assets - Company 2019

	Opening balance (N.'000)	Amortisation (N.'000)	Total (N.'000)
Franchise cost	88	(88)	-
Software cost	56,756	(22,780)	33,976
Permits	11,472	(752)	10,720
	68,316	**(23,620)**	**44,696**

An alternate analysis of Intangible Assets is presented on page 80.

Notes to the Consolidated Financial Statements

7. Right-of-use Asset

Cost			
Opening balance	1,722,040	1,722,040	1,888,830
Additions	535,150	535,150	84,533
Classified as held for sale	-	-	(251,323)
	2,257,190	**2,257,190**	**1,722,040**
Accumulated amortisation			
Opening balance	(194,570)	(194,570)	-
Depreciation	(216,364)	(216,364)	(194,570)
	(410,934)	**(410,934)**	**(194,570)**
Carrying value			
Opening balance	1,527,470	1,527,470	1,888,830
Additions	535,150	535,150	84,533
Classified as held for sale	-	-	(251,323)
Amortisation	(216,364)	(216,364)	(194,570)
	1,846,256	**1,846,256**	**1,527,470**

8. Interests in subsidiaries

The following table lists the entities which are controlled by the Group directly through subsidiary.

Company

Name of company	Held by	% voting power 2020	% voting power 2019	Carrying amount 2020	Carrying amount 2019	Carrying amount 2018
Lagos Continental hotel	11Plc	100.00 %	- %	22,100,000	-	-

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

9. Deferred tax

Deferred tax asset / (liability)

Net deferred tax	(4,829,400)	(4,829,400)	(3,483,517)

Deferred tax			
Advance rent	3,004,375	3,004,375	3,706,739
Accelerated depreciation	(7,287,922)	(7,287,922)	(6,475,316)
Capital gains tax rollover	(345,726)	(345,726)	(345,726)
Bad debt, forex and notional interest on employee loans	(200,127)	(200,127)	(369,214)
	(4,829,400)	**(4,829,400)**	**(3,483,517)**

Deferred tax movement 2020: Group	Opening balance	Charged to profit or loss	Total
Deferred tax asset			
Advance rent	3,706,739	(702,365)	3,004,374
Bad debt	(11,587)	(41)	(11,628)
Impairment on trade receivables	(6,844)	(4,938)	(11,782)
Deferred tax liability			
Accelerated capital allowance	(6,475,316)	(812,606)	(7,287,922)
Capital gains tax rollover	(345,726)	-	(345,726)
Unrealised forex	(353,241)	178,554	(174,687)
Notional interest on employee loans	2,458	(4,487)	(2,029)
	(3,483,517)	**(1,345,883)**	**(4,829,400)**

Deferred tax movement 2020 - Company	Opening balance	Charged to profit or loss	Total
Deferred tax asset			
Advance rent	3,706,739	(702,365)	3,004,374
Bad debt	(11,587)	(41)	(11,628)
Impairment on trade receivables	(6,844)	(4,938)	(11,782)
Deferred tax liability			
Accelerated capital allowance	(6,475,316)	(812,606)	(7,287,922)
Capital gains tax rollover	(345,726)	-	(345,726)
Unrealised forex	(353,241)	178,554	(174,687)
Notional interest on employee loans	2,458	(4,487)	(2,029)
	(3,483,517)	**(1,345,883)**	**(4,829,400)**

Deferred tax movement 2019 - Company	Opening balance	Charged to profit or loss	Total
Advance rent	4,062,840	(356,100)	3,706,740
Bad debt	(10,545)	(1,042)	(11,587)
Impairment on trade receivables	12,142	(18,985)	(6,843)
Accelerated capital allowance	(6,503,218)	27,900	(6,475,318)
Capital gains tax rollover	(345,726)	-	(345,726)
Unrealised forex	(13,839)	(339,402)	(353,241)
Notional interest on employee loans	1,818	640	2,458
	(2,796,528)	**(686,989)**	**(3,483,517)**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(3,483,517)	(3,483,517)	(2,796,528)
Originating temporary difference movement on PPE & Investment property assets	(812,605)	(812,605)	27,901
Bad debt, impairment, gain/(loss) on foreign exchange and notional interest on employee loans	169,086	169,086	(358,790)
Advance rent	(702,364)	(702,364)	(356,100)
	(4,829,400)	**(4,829,400)**	**(3,483,517)**

Deferred tax assets due after 12 months			
Advance rent	3,004,375	3,004,375	3,706,740

Notes to the Consolidated Financial Statements

9. Deferred tax (continued)

	Group 2020 N. '000	Company 2020 N.'000	Company 2019 N.'000
Deferred tax liabilities due within 12 months			
Bad debt	(11,629)	(11,629)	(11,587)
Unrealised forex	(174,687)	(174,687)	(353,241)
Notional interest on employee loans	(2,029)	(2,029)	2,458
Impairment on trade receivables	(11,782)	(11,782)	(6,843)
	(200,127)	**(200,127)**	**(369,213)**
Deferred tax liabilities due after 12 months			
Depreciation	(7,287,921)	(7,287,921)	(6,475,317)
Capital gains tax rollover	(354,726)	(354,726)	(345,726)
	(7,642,647)	**(7,642,647)**	**(6,821,043)**

10. Prepayments

Prepayments are made up of the following balances:

	Group 2020 N. '000	Company 2020 N.'000	Company 2019 N.'000
Insurance	57,245	42,569	30,766
Employee loans	37,234	37,234	86,558
Trade	4,686,220	4,672,583	2,431,809
	4,780,699	**4,752,386**	**2,549,133**
Total prepayments			
Current portion	4,743,465	4,715,152	2,462,575
Non-current portion	37,234	37,234	86,558
	4,780,699	**4,752,386**	**2,549,133**

- Prepayments are expensed on a straight line basis.
- Employee loans refers to the prepaid portion of housing and car loans given to employees.

11. Inventories

	Group 2020 N. '000	Company 2020 N.'000	Company 2019 N.'000
Raw materials	5,726,558	5,715,363	13,664,898
Finished goods	2,921,683	2,875,321	2,944,149
Consumable equipment and spares	408,509	384,081	104,393
	9,056,750	**8,974,765**	**16,713,440**

Obsolete inventory are not provided for but are rather written off to profit or loss immediately they are identified.

During the year, obsolete inventory worth N261million (2019: N6million) was written off and recognised in cost of goods sold.

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

12. Trade and other receivables

Trade receivables	9,224,110	9,224,110	6,415,732
Advances and employee receivables	450,906	450,906	343,057
Due from associated companies	-	1,067,770	7,236,876
Witholding tax receivable	-	-	193,143
Other receivables	970,818	712,003	10,743
	10,645,834	**11,454,789**	**14,199,551**

Other receiveables comprises of receivable from 11 hospitality debtors and advance deposit for materials.
The carrying amount of trade and other receivables are denominated in the following currencies:

NGN	8,631,914	9,440,869	12,505,579
USD	2,013,920	2,013,920	1,693,972
	10,645,834	**11,454,789**	**14,199,551**

The age analysis below excludes WHT and VAT

Neither impaired nor past due	8,321,188	9,130,143	4,994,164
Impaired	-	-	-
Not impaired and past due in the following periods:			-
1 to 30 days	1,160,385	1,160,385	1,518,400
31 to 60 days	324,305	324,305	4,386,208
61 to 90 days	534,079	534,079	-
91 to 180days	28,105	28,105	37,508
above 181	277,772	277,772	3,070,128
	10,645,834	**11,454,789**	**14,006,408**

In line with established practice, the bridging claims receivable is net off against bridging allowances payable to Petroleum Equalization Fund (PEF).

13. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Loans and Receivables - Group 2020

	Loans and receivables (N.'000)	Total (N.'000)
Trade and other receivables (Excl. VAT and WHT)	10,645,834	10,645,834
Cash and cash equivalents	10,582,280	10,582,280
	21,228,114	**21,228,114**

Loans and receivables - Company 2020

	Loans and receivables (N.'000)	Total (N.'000)
Trade and other receivables(Excl. VAT and WHT)	11,454,789	11,454,789
Cash and cash equivalents	10,333,627	10,333,627
	21,788,416	**21,788,416**

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

13. Financial assets by category (continued)

Loans and receivables - Company 2019

	Loans and receivables (N.'000)	Total (N.'000)
Trade and other receivables (Excl. VAT and WHT)	14,006,408	14,006,408
Cash and cash equivalents	6,107,109	6,107,109
	20,113,517	**20,113,517**

Impairment	**Group 2020 (N.'000)**	**Company 2020 (N.'000)**	**Company 2019 (N.'000)**
Trade receivables	9,246,623	9,246,623	6,475,063
Allowance for expected credit losses	(22,513)	(22,513)	(59,331)
	9,224,110	**9,224,110**	**6,415,732**

14. Loans to directors, managers and employees

Carrying value of loans to employees

At beginning of the year	210,509	210,509	255,349
Advances	28,800	28,800	-
Repayments	(49,014)	(49,014)	(44,840)
	190,295	**190,295**	**210,509**

These advances comprises three types of loans made available to employees of the company. They are;

- Compassionate loan
- Car loan
- Home ownership scheme

The Compassionate loan and Home ownership scheme loan were given to employees at 0% interest rate while the Car loan was given to employees at 5% of the prevailing interest rate. 6 employees took car loan in 2020. In 2020, the rate equated to 0.65% (5% of 12.1%).

The Company measures employee loans at amortised cost using the effective interest method.

Employees loans at amortized cost

Loans to directors, managers and employees	87,341	87,341	119,950

Fair value information is disclosed on note 37.

15. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of:

Total balance	10,582,280	10,333,627	6,660,251
Bank overdraft	(296,257)	(296,257)	(553,142)
	10,286,023	**10,037,370**	**6,107,109**
Current assets	10,582,280	10,333,627	6,660,251
Current liabilities	(296,257)	(296,257)	(553,142)
	10,286,023	**10,037,370**	**6,107,109**

Details on bank overdraft is disclosed in note 18.

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

15. Cash and cash equivalents (continued)

Cash and bank			
Short term deposits	-	-	4,551,274
Bank account	10,582,280	10,333,627	2,108,977
Bank overdraft	(296,257)	(296,257)	(553,142)
	10,286,023	**10,037,370**	**6,107,109**

Short-term deposits were placed based on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings.

Credit rating			
A	9	9	9
A-2	447,439	447,439	-
B	8,838,563	8,589,910	6,107,100
N/A	1,000,012	1,000,012	-
	10,286,023	**10,037,370**	**6,107,109**

16. Share capital

Authorised			
400,000,000 Ordinary shares of 50k each	200,000	200,000	200,000

Reconciliation of number of shares issued:			
Reported as at January 1, 2020	194,678	194,678	194,678

360,595,261 ordinary shares of the total authorised number of shares of 50k each have been called-up and fully paid.

Issued			
360,595,261 Ordinary shares of 50k each	180,298	180,298	180,298
Share premium	14,380	14,380	14,380
	194,678	**194,678**	**194,678**

17. Retained income and other reserves

Reconciliation of retained income is as follows:

Balance at beginning of year	39,486,935	39,486,935	33,578,097
Profit for the year	2,944,186	6,230,868	8,883,749
Dividends paid	(2,974,911)	(2,974,911)	(2,974,911)
	39,456,210	**42,742,892**	**39,486,935**

Reconciliation of retained income and other reserves Group -2020	Retained Income (N.'000)	Other Reserves (N.'000)	Total (N.'000)
Balance at beginning of year	39,486,935	-	39,486,935
Profit for the year	2,944,186	-	2,944,186
Dividends paid	(2,974,911)	-	(2,974,911)
	39,456,210	**-**	**39,456,210**

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

17. Retained income and other reserves (continued)

Reconciliation of retained income and other reserves Company -2020	Retained Income (N.'000)	Other Reserves (N.'000)	Total (N.'000)
Balance at begining of year	39,486,935	-	39,486,935
Profit for the year	6,230,868	-	6,230,868
Dividends paid	(2,974,911)	-	(2,974,911)
	42,742,892	**-**	**42,742,892**

Reconciliation of retained income and other reserves Company - 2019	Retained Income (N.'000)	Other Reserves (N.'000)	Total (N.'000)
Balance at beginning of year	33,578,097	-	33,578,097
Profit for the year	8,883,749	-	8,883,749
Dividends paid	(2,974,911)	-	(2,974,911)
	39,486,935	**-**	**39,486,935**

18. Borrowings

Held at amortised cost			
Bank Overdraft	296,257	296,257	553,142
Loans	5,000,000	5,000,000	3,617,000
	5,296,257	**5,296,257**	**4,170,142**

The bank overdraft facility and loan was obtained for working capital requirements

The carrying value of the bank overdraft and loan equals its fair value.

19. Retirement benefits

Defined contribution plan

The benefit structure is described as follows

Eligibility:	All confirmed employees of 11Plc.
Mandatory retirement age:	This is 60 for both male and female staff.
Early retirement:	Allowable from age 45 with a minimum of 10 years company service.
Final pensionable salary:	This is the Annual Pensionable Salary (i.e. annual basic salary + annual housing allowance + annual transport allowance + vacation allowance + year end bonus + annual furniture allowance) at date of exit (death, retirement or withdrawal from service).
Years of service:	Accredited service is defined as the length of time, during which an employee worked full-time for the Company prior to retirement or death or withdrawal.
Employee savings scheme:	This is payable at retirement and is calculated as 8.33% of annual pensionable salary and multiplied by the years of service, provided 5 years of qualifying service has been rendered at exit.
Pension Scheme:	The Defined Benefit pension scheme was converted to Defined Contribution on the 31st January 2017 for active employees.

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

19. Retirement benefits (continued)

Defined benefit plan

The Company's Defined benefit plan funding requirements are determined using PENCOM regulations. The plan was fully funded following PENCOM's approval in January 2017 to convert to a Defined Contribution scheme for active employees.The Annuitants are still under the defined benefit scheme.

The valuation of the fund for Annuitants under the defined benefit scheme is as follows:

The valuation was carried out by Alexander Forbes (FRC/2017/NAS/00000016625).

Carrying value	Group 2020 N. '000	Company 2020 N.'000	Company 2019 N.'000
Pension liability	(818,307)	(818,307)	(887,584)
Fund at market value	702,534	702,534	797,791
	(115,773)	**(115,773)**	**(89,793)**

Plan Asset Classification Summary	Group 2020 N. '000	Company 2020 N.'000	Company 2019 N.'000
Fixed deposit	210,579	210,579	2,526
Government bond	431,921	431,921	732,557
Corporate bonds	64,046	64,046	65,039
Cash	1,461	1,461	1,636
Receivables	321	321	333
Payables	(5,794)	(5,794)	(4,300)
	702,534	**702,534**	**797,791**

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

19. Retirement benefits (continued)

Key assumptions used

The following assumptions were also used by the Actuary in the calculation of the company's Pension Expense, Plan Asset and Defined Benefit Obligation.

Discount rates used	15.00 %	15.00 %	15.00 %
Inflation	- %	- %	11.80 %
Expected increase in salaries	- %	- %	15.00 %

In order to measure the liability, the projected benefit obligation is discounted to a net present value as at the current balance sheet date.

IFRS through IAS 19 requires that the discount rate be determined on the company's balance sheet date by reference to market yields on high quality corporate bonds, except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on Government bonds.

The discount rate should reflect the duration of the liabilities of the benefit program.

The weighted average liability duration for the Plan is 4years. The average weighted duration of a similar Nigerian Government bond as at 31st of December, 2020 was 4years with a gross redemption yield of 12.00%.

In view of the above, the actuary adopted 15.00% p.a as the discount rate for the current valuation.

Fund management and regulatory expenses are charged directly to the fund on an on-going basis.

Demographic Assumptions:

Mortality:The rates of mortality assumed in the plan are the rates in PA (90) Table (UK annuitant table - published jointly by the Institute and Faculty of Actuaries, UK). The Mortality experience reflects our assumed future longevity of each pensioner, which is age related.

Age now	Average expectation of life	
	Male	Female
55	21	26
60	18	22
65	14	18
70	11	14
75	8	11
80	6	8.

Defined contribution plan

The Company's contribution to the scheme in 2020 was N70.91million(2019:N93.4million).

20. Deferred income

Deferred income relates to advance rent on investment properties leased mainly to Mobil Producing Nigeria Unlimited.

Analysis of deferred income	**Group 2020 (N.'000)**	**Company 2020 (N.'000)**	**Company 2019 (N.'000)**
Opening balance	22,223,330	22,223,330	21,649,139
Additions	3,214,408	3,214,408	8,204,462
Amortisation (rental income for the year)	(7,660,720)	(7,660,720)	(7,630,271)
	17,777,018	**17,777,018**	**22,223,330**
Non-current	10,609,117	10,609,117	12,805,166
Current	7,167,901	7,167,901	9,418,164
	17,777,018	**17,777,018**	**22,223,330**

Notes to the Consolidated Financial Statements

20. Deferred income (continued)

The Company leases its investment properties to Mobil Producing Nigeria Unlimited under various lease agreements. There were no contingent rents recognised during the period.

21. Contingent Liability

At the reporting date, there were no lawsuit (2019: N74million) against the Company.

22. Current tax payable

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000
Balance at beginning of the year	(2,767,932)	(2,767,932)	(2,981,363)
Provision for the year	(1,412,108)	(1,412,108)	(3,537,138)
Balance at December 31	583,250	583,250	2,767,932

Movement in current income tax

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000
Opening balance	2,767,932	2,767,932	2,981,363
Payments	(3,596,459)	(3,596,459)	(3,078,072)
Provision for the year	1,412,192	1,412,192	3,537,138
Withholding tax credit utilised	(415)	(415)	(672,497)
Balance at December 31	**583,250**	**583,250**	**2,767,932**

23. Trade and other payables

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000
Trade payables	5,671,769	5,404,570	6,794,465
VAT payable	494,083	451,370	115,679
Other payables	460,820	204,793	265,390
Due to related companies	12,877,096	12,677,390	5,126,965
Accrued expenses	47,521	47,521	40,044
Unclaimed dividend & payments	1,318,314	1,318,314	1,553,426
Non-product trade payables	833,609	833,609	1,572,620
Bridging allowance	3,084,191	3,084,191	3,404,161
Witholding tax	100,962	3,593	-
Consumption tax	30,866	-	-
	24,919,231	**24,025,351**	**18,872,750**

Terms and conditions of the above financial liabilities:
- Trade and other payables are non-interest bearing and are settled within an average of 34 days of receipt of invoice
- Other payables are non-interest bearing and are mainly made up of retention on contracts, WHT and employee payables .
- Terms and conditions of related parties are disclosed in note 34.

24. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below. There was no contract liability in 2020.

Loans and Receivables - Group 2020

	Financial liabilities at amortised cost	Total (N.'000)
Trade and other payables (Excl. taxes and unclaimed dividend and payment)	22,975,006	22,975,006
Bank overdraft	296,257	296,257
Long Term Borrowings	5,000,000	5,000,000
	28,271,263	**28,271,263**

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

24. Financial liabilities by category (continued)

Loans and payables - Company 2020

	Financial liabilities at amortised cost	Total (N.'000)
Trade and other payables (Excl. taxes and unclaimed dividend and payment)	22,252,074	22,252,074
Bank overdraft	297,257	297,257
Long term borrowings	5,000,000	5,000,000
	27,549,331	**27,549,331**

Loans and payables - Company 2019

	Financial liabilities at amortised cost	Total (N.'000)
Trade and other payables (Excl. taxes and unclaimed dividend and payment)	17,203,645	17,203,645
Bank overdraft	553,142	553,142
Short term borrowings	3,617,000	3,617,000
	21,373,787	**21,373,787**

25. Revenue

Third party sales	149,155,646	147,567,161	186,144,148
Intercompany sales	16,340,781	16,340,781	5,532,181
	165,496,427	**163,907,942**	**191,676,329**
The amount included in revenue arising from exchanges of goods or services included in revenue are as follows:			
Sale of goods	165,496,427	163,907,942	191,676,329
Disaggregated revenue information			
Fuels	124,667,654	124,667,654	154,962,941
Lubes	37,354,452	37,354,452	35,333,041
Liquefied petroleum gas(LPG)	1,885,836	1,885,836	1,380,347
Revenue from Continental Hotel	1,588,485	-	-
	165,496,427	**163,907,942**	**191,676,329**
Geographical markets			
Nigeria	165,496,427	163,907,942	191,676,329
Timing of revenue recognition			
Goods transferred at a point in time	165,496,427	163,907,942	191,676,329

26. Other income

Profit on sale on disposal of Asset held for sale	270,302	270,302	-
Rental income	7,912,115	7,912,115	7,890,508
Other operating income	825,651	825,651	72,113
Backcourt income	68,173	68,173	79,841
	9,076,241	**9,076,241**	**8,042,462**

Rental income represents rent received from investment properties of N7,660million (2019: N7,630million) and the balance represents rent from service stations.

Other operating income includes; services charges on demurrage, sale of scrap.

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

27. Cost of sales

Sale of goods			
Purchases	152,094,024	151,934,168	174,617,549
Manufacturing Expenses	582,135	582,135	418,292
	152,676,159	**152,516,303**	**175,035,841**

28. Operating expense

Total expenses			
Administrative expenses	9,480,549	4,765,238	4,520,544
Selling and distribution expenses	6,467,220	6,467,220	7,007,774
Loss on asset disposals	-	-	35,552
	15,947,769	**11,232,458**	**11,563,870**

The following items are included within operating expenses:			
Administrative expense (excl. depreciation)	3,973,803	1,990,813	1,834,827
Selling and distribution expenses (excl. depreciation)	6,851,457	5,607,903	6,172,257
Depreciation and amortisation	5,122,509	3,633,742	3,521,234
Loss on asset disposals	-	-	35,552
	15,947,769	**11,232,458**	**11,563,870**

Depreciation on manufacturing expense is charged to cost of sales and excluded from depreciation and amortisation in operating expense.

Included in operating expenses are the following expenses by nature

Expenses by nature			
Employee related expenses	1,791,115	1,402,683	1,768,773
Volume related expense	2,987,612	2,987,612	4,012,258
Depreciation and amortisation	5,122,509	3,633,742	3,521,234
Maintenance & repairs	1,377,245	838,496	639,506
Auditors remuneration	27,824	21,000	21,000
Loss on asset disposals	-	-	35,552
Short-term rent	32,356	32,356	34,844
Others	4,200,259	1,917,776	1,076,798
Advert and promotion	377,292	365,236	412,933
Interest expense employee	11,044	11,044	19,687
Impairment on trade receivables	22,513	22,513	21,285
	15,949,769	**11,232,458**	**11,563,870**

Auditors remuneration includes 27.8M (including value added tax) to Grant Thornton for 2020 Audit services and 21M relates to prior year fees.

The auditors did not perform non-audit services for the group in 2020.

Others mainly consists of contract labour, financial, legal, research,hotel supplies and royalty paid to ExxonMobil.

29. Finance costs

Interest expense	475,858	475,858	310,103

Finance costs were incurred on overdraft facility obtained for working capital requirements, deposit made by dealers and on establishment of letter of credit.

30. Finance Income

Interest income on short term bank deposit	198,964	198,964	281,181
Interest income on loan to employees	30,414	30,414	17,719
	229,378	**229,378**	**298,900**

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

31. Taxation

Major components of the tax expense

Current			
Company income tax	1,197,787	1,197,787	3,251,352
Prior year overprovision	-	-	898
Education tax (non - deductibility of Depreciation - 2%)	214,321	214,321	284,888
	1,412,108	**1,412,108**	**3,537,138**
Deferred			
Origination and reversal of temporary differences	1,345,966	1,345,966	668,004
Tax effect on IFRS 9	-	-	18,986
	1,345,966	**1,345,966**	**686,990**
	2,758,074	**2,758,074**	**4,224,128**
Profit before tax	5,702,260	8,988,942	13,107,877
Reconciliation of tax expense using accounting profit			
Income tax using statutory rate 30%	2,696,683	2,696,683	3,932,363
Education tax	214,326	214,326	285,331
Investment allowance (Tax incentive)	(186,265)	(186,265)	(38,434)
Others	33,330	33,330	43,970
Prior year adjustment	-	-	898
	2,758,074	**2,758,074**	**4,224,128**

32. Earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outsandind during the year. The weighted average number of shares used in the Earnings per share calculation is 360,595,261 (2019: 360,595,261).

A final dividend has been recommended by the Board and is subject to shareholders approval at the annual general meeting. It has therefore not been recognised as a liablility in the reporting period.

Basic Earnings Per Share			
from continuing operations (kobo per share)	816	1,728	2,464

The computation of basic earnings per share was based on earnings and a weighted average number of ordinary shares in issue

Dividends paid			
Dividend per share: final (kobo)	850	850	825

33. Dividends paid

Dividends	(2,974,911)	(2,974,911)	(2,974,911)

Notes to the Consolidated Financial Statements

	Group	Company	
	2020 N. '000	2020 N.'000	2019 N.'000

34. Related parties

Relationships

Nipco Plc	Parent Company
Purebond	Common Holding Company
Agri Chemicals Limited	Common Shareholders
11 Hospitality	Subsidiary

Related party balances

	Group 2020 N. '000	Company 2020 N.'000	Company 2019 N.'000
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Nipco Plc	(2,260,185)	(2,065,913)	7,236,876
11 Hospitality	-	1,067,770	-
Agric Chemicals Limited	(7,994,546)	(7,994,546)	(5,126,965)
Purebond	(2,616,931)	(2,616,931)	-
Dividend paid			
Nipco Plc	2,089,799	2,089,799	1,999,240

Related party transactions

	Group 2020 N. '000	Company 2020 N.'000	Company 2019 N.'000
Income from related parties			
Nipco Plc	16,340,781	16,340,781	5,532,181
Administration fees paid to (received from) related parties			
Nipco Plc	587,614	587,614	281,134
Purchases from related party			
Nipco Plc	15,505,378	15,505,378	15,655,418
Agri Chemical Limited	36,317,537	36,298,870	22,428,856

11Plc purchased lubricants from ExxonMobil Corporation through Agri Chemicals Limited.

Other related party disclosures

The sales to and purchases from related parties were made on terms equivalent to those that would prevail in an arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No guarantees were provided or received for any related party receivables or payables. For the year ended December 31, 2020, 11Plc has not recorded any impairment of receivables relating to amounts owed by related parties (2019: Nil). This assessment is taken each financial year by examining the financial position of the related party and the market in which the related party operate.

35. Commitments

Authorised capital expenditure

No commitment on investment properties in 2020.

36. Non-current assets held for sale

The asset held for sale relates to a service station that the Lagos state goverment intend to use for a project of overidding public interest.

The asset was completely taken over by Lagos State Government in 2020.

Note 37 Fair Value Measurement and disclosures

The Group considers the fair value of its financial assets and liabilities not significantly different from its carrying values disclosed in the statement of financial position

a) Investment Properties

Location of Investment properties	Valuation technique
1, Lekki Epe Express Way, Victoria Island, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
1, Ligali Ayorinde Street, Victoria Island, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
3 Bayo Kuku Road, Ikoyi, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
10A & B Temple Road, Ikoyi, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
10 Temple Road, Ikoyi, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.

b) Employee loans

Loans to Employees	The discounted cash flow method was used in arriving at the fair value of the loans the Company provides to employees. This fair value is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risks and remaining maturity.

The fair values of investment properties and employee loans are categorized as Level 3.

Notes to the Financial Statements

	2020 N. '000	2019 N. '000

38. Directors & Key management personnel emoluments

Emoluments of directors

	2020	2019
Fees paid to Non-Executive Directors		-
Remuneration paid to Executive Directors	**185,157**	**173,692**
Other emoluments to NED	**2,193**	**1,985**
Total	**187,350**	**175,676**

The Executive Directors' remuneration shown above
(excluding pensions and pension contributions) include:

	2020	2019
Chairman	**0**	**0**

The role of the chairman has been seperated from the role of managing director

	2020	2019
Highest paid Director	**88,879**	**81,529**

Directors received emoluments in the following ranges :

		Number
N251,001 - N1,000,000		
Above N1,000,000	**2**	**2**

The chairman does not receive emolument

Emoluments of key management personnel

	2020	2019
Short term benefits (Salaries wages & other benefits)	**295,490**	**273,746**
Post employment benefits		-
Total	**295,490**	**273,746**

Staff numbers

(a) The average monthly number of full time persons employed by the Company during the year (excluding the 3 executive directors) was as follows :

		Number
Management staff	**15**	**15**
Senior staff	**55**	**58**
Total	**70**	**73**

(b) Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges :

	2020	2019
Under N2,000,000	**1**	**1**
N2,000,001 - N 6,000,000	**3**	**7**
N6,000,001 - N 8,000,000	**3**	**16**
N8,000,001 - N 10,000,000	**23**	**12**
N10,000,001 - N 20,000,000	**26**	**24**
N20,000,001 & above	**14**	**13**
Total	**70**	**73**

39 Segmental Information

As at December 31 2020, the Group had two reportable business segments:

(i) Petroleum Products Marketing (ii) Property Business

The Group assets are located within Nigeria and there were no export sales made as at December 31, 2020. (2019: Nil)

Segment revenue reported below represents revenue generated from external customers. There were also no intersegment sales as at December 31,2020 (2019: nil). The accounting policy of the reportable segments below are the same as the Group accounting policies disclosed in the financial statements.

	Group		
	Petroleum Products Marketing (N'000)	**Property Business (N'000)**	**Total (N'000)**
A The segment results for the period ended December 31, 2020 are as follows:			
Revenue	**163,907,942**	**1,588,485**	**165,496,427**
Cost of sales	**(152,516,303)**	**(159,856)**	**(152,676,159)**
Operating expense	**(8,645,206)**	**(7,302,563)**	**(15,947,769)**
Other income	**1,415,521**	**7,660,720**	**9,076,241**
Finance income	**229,378**	**-**	**229,378**
Finance costs	**(475,858)**	**-**	**(475,858)**
Profit before tax	**3,915,474**	**1,786,786**	**5,702,260**
Taxation credit/charge	**(2,186,302)**	**(571,771)**	**(2,758,074)**
Profit for the period	**1,729,172**	**1,215,014**	**2,944,186**
The segment results for the period ended December 31, 2019 are as follows:			
Revenue	**191,676,329**	**-**	**191,676,329**
Cost of sales	**(175,035,841)**	**-**	**(175,035,841)**
Operating expense	**(8,977,792)**	**(2,586,078)**	**(11,563,870)**
Other income	**412,191**	**7,630,271**	**8,042,462**
Finance income	**298,900**	**-**	**298,900**
Finance costs	**(310,103)**	**-**	**(310,103)**
Profit before taxation	**8,063,684**	**5,044,193**	**13,107,877**
Taxation	**(2,558,462)**	**(1,665,666)**	**(4,224,128)**
Profit for the period	**5,505,222**	**3,378,527**	**8,883,749**
B Reconciliation of segment assets and liabilities to total assets and liabilities as at December 31, 2020:			
Intangible assets	**21,164**	**-**	**21,164**
Segmented total assets (excl. cash and cash equivalents & deferred tax)	**43,840,003**	**38,612,596**	**82,452,600**
Segmented total liabilities (excl.bank overdraft, borrowings & deferred tax)	**(22,933,614)**	**(20,345,885)**	**(43,279,499)**
Deferred tax	**-**	**(4,829,400)**	**(4,829,400)**
Cash and cash equivalents	**10,037,371**	**248,653**	**10,286,024**
Segmented net assets	**30,964,924**	**13,685,964**	**44,650,889**
Capital expenditure	**12,290,303**	**92,456.42**	**12,382,759**
Depreciation charge for the year	**(1,060,000)**	**(4,062,509)**	**(5,122,509)**
Reconciliation of segment assets and liabilities to total assets and liabilities as at December 31, 2019:			
Intangible assets	**44,696**	**-**	**44,696**
Segmented total assets (excl. cash and cash equivalents & deferred tax)	**63,190,287**	**21,304,050**	**84,494,337**
Segmented total liabilities	**(19,975,016)**	**(23,888,996)**	**(43,864,012)**
Deferred tax		**(3,483,517)**	**(3,483,517)**
Cash and cash equivalents	**6,107,109**	**-**	**6,107,109**
Segmented net assets	**49,322,380**	**(6,068,463)**	**43,298,613**
Capital expenditure	**18,273,079**	**-**	**18,273,079**
Depreciation charge for the year	**(975,499)**	**(2,576,198)**	**(3,551,697)**

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 Group 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.

Property, Plant and Equipment
Group

December 2020	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	1,649,546	19,461,878	15,485,665	3,113,363	481,937	16,855,632	57,048,020
Additions	245,607	230,813	703,214	17,642	128,134	11,057,349	12,382,759
Transfer between asset classes	-	-	103,645	(103,645)	-	-	-
Transfers from asset under Construction	-	54,493	5,568,267	-	-	(5,622,760)	-
Disposals		-	(33,333)	-	-	-	(33,333)
At the end of the period	**1,895,153**	**19,747,184**	**21,827,457**	**3,027,361**	**610,071**	**22,290,221**	**69,397,446**
Depreciation							
At beginning of the year	-	(2,546,198)	(3,919,977)	(311,994)	(338,728)	-	(7,116,896)
Charge for year	-	(541,744)	(1,127,125)	(585,182)	(54,821)	-	(2,308,872)
Transfer between asset classes	-	-	(138,436)	138,436	-	-	-
Disposals	-	-	28,495	-	-	-	28,495
At the end of the period	**-**	**(3,087,942)**	**(5,157,043)**	**(758,740)**	**(393,548)**	**-**	**(9,397,275)**
Net book value							
December 31, 2020	**1,895,153**	**16,659,242**	**16,670,414**	**2,268,621**	**216,522**	**190,221**	**37,900,171**
INV IN SUB						**(22,100,000)**	**(22,100,000)**

Property, plant and equipment
Company

December 2020	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	1,649,546	7,137,486	9,056,634	332,129	463,080	16,855,632	35,494,507
Additions	245,607	230,813	640,550	-	115,984	11,057,349	12,290,303
Transfer between asset classes	-	-	103,645	(103,645)	-	(22,100,000)	(22,100,000)
Transfers from asset under Construction	-	54,493	5,568,267	-	-	(5,622,760)	-
Disposals	-	-	(33,333)	-	-	-	(33,333)
At the end of the period	**1,895,153**	**7,422,792**	**15,335,763**	**228,484**	**579,064**	**190,221**	**25,651,477**
Depreciation							
At beginning of the year	-	(2,546,198)	(3,919,977)	(311,994)	(338,728)	-	(7,116,897)
Charge for year	-	(295,256)	(452,373)	(25,407)	(47,069)	-	(820,105)
Transfer between asset classes	-		(138,436)	138,436	-		-
Disposals	-		28,495	-	-	-	28,495
At the end of the period	**-**	**(2,841,454)**	**(4,482,291)**	**(198,965)**	**(385,797)**	**-**	**(7,908,507)**
Net book value							
December 31, 2020	**1,895,153**	**4,581,338**	**10,853,472**	**29,519**	**193,267**	**190,221**	**17,742,970**
INV IN SUB						**22,100,000**	**22,100,000**

December 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	930,833	431,793	507,018	788	46,801	16,355,846	18,273,079
Transfer from asset under construction	-	23,242	774,100	-	1,430	(798,772)	-
Disposals	-	(58,585)	(32,531)	(1,682)	(15,015)	-	(107,813)
At end of the year	**1,649,546**	**7,137,486**	**9,056,634**	**332,129**	**463,080**	**16,855,632**	**35,494,507**
Depreciation							
At beginning of the year	-	(2,294,194)	(3,533,238)	(272,464)	(306,179)	-	(6,406,075)
Charge for year	-	(280,809)	(411,344)	(41,212)	(47,564)	-	(780,929)
Disposals	-	28,805	24,605	1,682	15,015	-	70,107
At end of the year	-	**(2,546,198)**	**(3,919,977)**	**(311,994)**	**(338,728)**	**-**	**(7,116,897)**
Net book value							
December 31, 2019	**1,649,546**	**4,591,288**	**5,136,657**	**20,135**	**124,352**	**16,855,632**	**28,377,610**

Intangible assets
Company

December 2020	Software Costs	Franchise Costs	Permit	Total
	N'000	N'000	N'000	N'000
Cost				
At beginning of the year	229,582	-	15,045	244,627
At the end of the period	**229,582**	**-**	**15,045**	**244,627**
Amortization				
At beginning of the year	(195,606)	-	(4,325)	(199,931)
Amortization for the period charged to expense	(22,780)	-	(752)	(23,532)
At the end of the period	**(218,386)**	**-**	**(5,077)**	**(223,463)**
Net Book Value				
December 31, 2020	**11,196**	**-**	**9,968**	**21,164**

December 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 end of the year	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	(22,780)	(88)	(752)	(23,620)
Disposals	-			
At end of the year	(195,606)	(77,006)	(4,325)	(276,937)
Net Book Value				
December 31, 2019	**33,976**	**0**	**10,720**	**44,696**

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.

Investment property movement analysis
Company

December 2020	Land and Buildings	Plant and Equipment	Fixtures and Fittings	Asset under Construction	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
At beginning of the year	12,646,195	20,450,384	-	293,205	33,389,784
Asset class realignment	-	-	-	-	-
Disposals	-	-	-	-	-
At end of the year	**12,646,195**	**20,450,384**		**293,205**	**33,389,784**
Depreciation					
At beginning of the year	(2,099,959)	(10,493,193)	-	-	(12,593,152)
Charge for year	(298,563)	(2,275,180)		-	(2,573,743)
Disposals	-	-		-	-
At end of the year	**(2,398,522)**	**(12,768,373)**	**-**	**-**	**(15,166,895)**
Net book value					
December 31,2020	**10,247,672**	**7,682,011**	**-**	**293,205**	**18,222,889**

December 2019	Land and Buildings	Plant and Equipment	Fixtures and Fittings	Asset under Construction	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
At beginning of the year	12,646,195	20,450,384	-	293,205	33,389,784
Additions	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At end of the year	**12,646,195**	**20,450,384**	**-**	**293,205**	**33,389,784**
Depreciation					
At beginning of the year	(1,799,269)	(8,217,685)	-	-	(10,016,954)
Charge for the year	(300,690)	(2,275,508)	-	-	(2,576,198)
Disposals	-	-	-	-	-
At end of the year	**(2,099,959)**	**(10,493,193)**	**-**	**-**	**(12,593,152)**
Net book value					
December 31, 2019	**10,546,236**	**9,957,191**	**-**	**293,205**	**20,796,632**

Statement of Value Added

	Group 2020 N. '000	%	Company 2020 N. '000	%	Company 2020 N. '000	%
- Inland sales	165,496,427		163,907,942		191,676,329	
- Export sales			-		-	
Sales to outsiders			163,907,942		191,676,329	
- Local purchases	126,600,071		122,670,753		158,686,883	
- Purchases from imports	36,317,537		36,298,870		22,428,856	
Purchases of goods and other services	162,917,609		158,969,623		181,115,739	
Value added by trading operations	2,578,815	22	4,938,318	35	10,560,590	57
Other income	9,076,241	78	9,076,241	65	8,042,462	43
	11,655,057		14,014,560		18,603,052	
Other expense	-		-		(35,552)	-
	11,655,057		14,014,560	100	18,567,500	100

Applied as follows :						
To pay staff and labour related expenses	1,791,115	15	1,402,683	10	1,768,773	10
To pay dividends to shareholders	2,974,911	25	2,974,911	21	2,974,911	16
To pay interests and similar charges	475,858	4	475,858	3	310,103	2
To pay Government taxes and licences	2,758,074	23	2,758,074	19	4,224,128	22
To provide for maintenance of assets	3,956,129	33	3,417,380	24	3,380,747	18
Profit after tax transferred to reserve (net of dividend)	(30,725)	(0)	3,255,957	23	590,883	3
	11,925,360	100	14,284,862	100	18,567,500	100

Five-Year Financial Summary

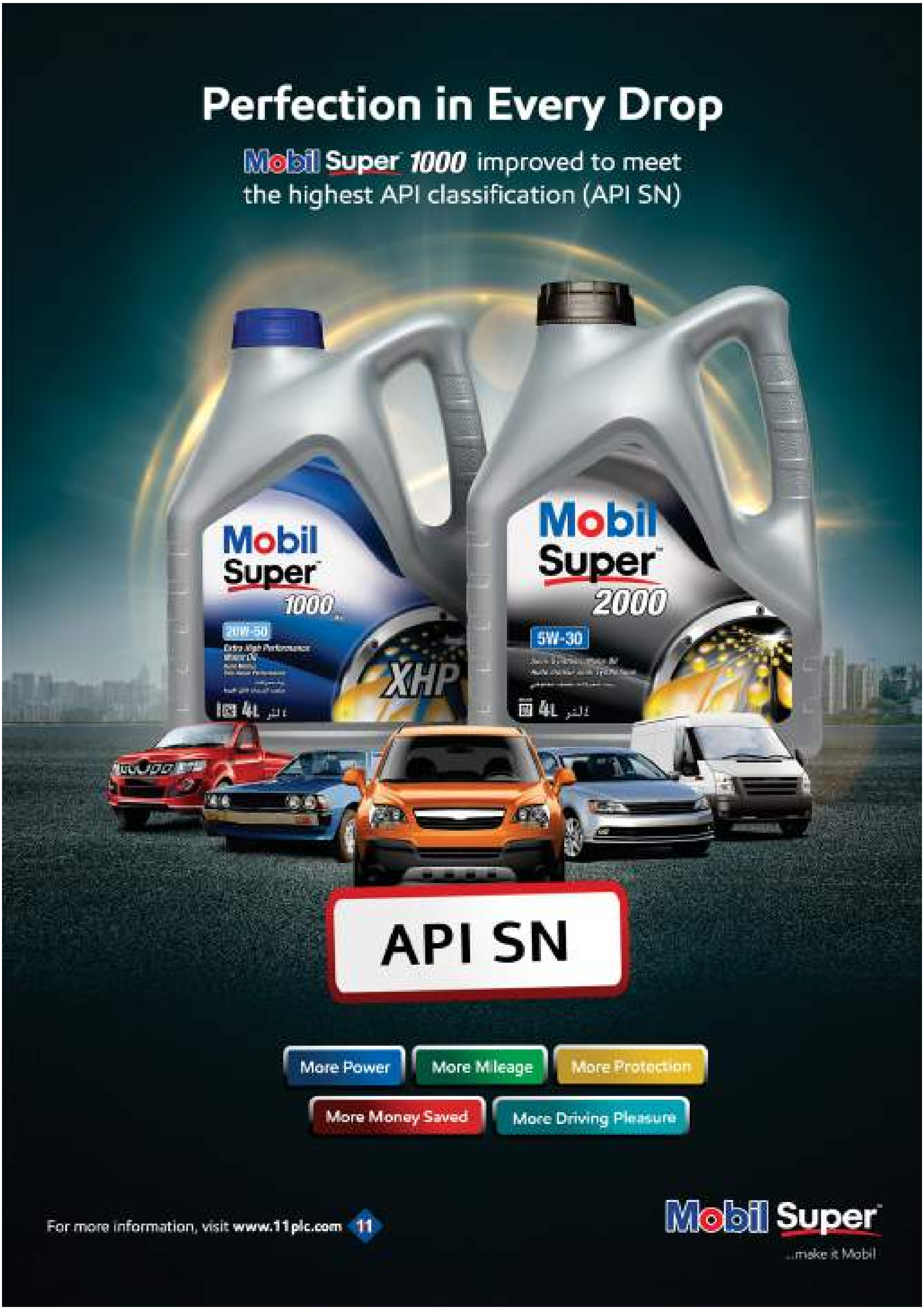
	2020	2019	2018	2017	2016
	N'000	N'000	N'000	N'000	N'000
Equity					
Share capital	180,298	180,298	180,298	180,298	180,298
Share premium	14,380	14,380	14,380	14,380	14,380
Reserves	42,742,892	39,486,935	33,578,097	27,164,151	21,262,818
	42,937,571	39,681,613	33,772,775	27,358,829	21,457,796
Assets and liabilities :					
Property, plant & equipment	17,742,970	28,377,610	10,923,166	10,923,166	7,936,980
Investment property	18,222,889	20,796,632	23,372,829	25,949,059	29,374,398
Right-of-use-assets	1,846,256	1,527,470		0	
Intangible assets	21,164	44,696	68,316	64,863	82,683
Deferred tax assets	-	-	-	-	-
Prepayments	37,234	86,558	2,033,676	2,033,676	1,978,780
Working capital	(2,938,226)	(1,594,425)	14,935,050	9,683,367	3,506,932
	34,932,287	49,238,541	51,333,037	46,510,605	42,879,773
Net deferred credits	(15,438,517)	(16,288,683)	(17,560,262)	(19,151,776)	(21,422,277)
Net tangible assets	19,493,769	41,931,288	33,772,775	27,358,829	21,457,496
Turnover	163,907,942	191,676,329	164,609,535	125,257,109	94,107,683
Profit before taxation	8,988,942	13,107,877	13,695,459	11,137,886	12,019,892
Taxation	(2,758,074)	(4,224,128)	(4,366,524)	(3,619,153)	(3,865,599)
Profit after taxation	6,230,868	8,883,749	9,328,935	7,518,733	8,154,293
Actuarial gains/(losses)	-	-	-	1,267,362	536,088
Reserves beginning of the year	39,486,935	33,578,097	27,164,151	21,262,818	15,168,723
Bonus issue	-	-	-	-	-
Dividends	(2,974,911)	(2,974,911)	(2,884,762)	(2,884,762)	(2,596,286)
Adoption of IFRS adjustments	-	-	(30,227)	-	-
Reserves end of year	42,742,891	39,486,935	33,578,097	27,164,151	21,262,818
Earnings per 50k share	1728K	246K	2587K	2085K	2261K
Dividends per 50k share		825K	825k	800K	800K
Net assets per 50k share	5406K	10489K	9366K	7587K	5951K

Note:

1) Earnings and dividend per share are calculated on the basis of the fully paid ordinary shares of 360,595,261 for 2016- 2020 financial 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

2) All figures disclosed are based on IFRS.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PROXY FORM

The 43rd Annual General Meeting of 11PLC will be held at Nassarawa Hall, Transcorp Hilton, 1 Aguiyi Ironsi Street, Abuja on Wednesday May 19, 2021 At 11.00am.

I/We……………………………………………………………being a member/members of 11Plc, hereby appoint

……………………………………………………….................... or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us or on my/our behalf at the Annual General Meeting of the Company to be held on May 19, 2021 and at any and every adjournment thereof:

Dated this …………..……… day of ………………………… 2021.

Shareholder's signature --

A member entitled to attend and vote at the AGM is advised to select from the under listed proposed proxies to attend and vote in their stead

1. Mr. Tunji Oyebanji
2. Alh. Abdulkadir Aminu Mamman
3. Chief Paul Obi
4. Mr. Raphael Osayameh
5. Mr. Esan Ogunleye
6. Barr. G. Siyonbola Adetutu
7. Alh. Sani Yau
8. Dr. Patrick Attu
9. Mr. David O. Odebiyi

		RESOLUTION	VOTES	
			For	Against
	1	To declare a dividend		
	2	To authorize the Directors to fix the Auditors' remuneration.		
	3	To disclose the remuneration of the Managers		
	4	To elect members of the Audit Committee.		
	5	To approve Director's remuneration.		

Please indicate an 'X' in the appropriate box how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion

NOTE

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 right to vote as attendance at the meeting will be by proxy.

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 of the Company or not, who will attend and vote on your behalf instead of the Chairman of the meeting.

Please sign the above and post it so as to reach the address shown overleaf not later than 48 hours before the date of the Annual General Meeting.

If executed by a corporation, the proxy form should be sealed with the common seal. The proxy must produce the ANNUAL Report sent with the Notice of the Meeting to obtain entrance to the Meeting.

Before posting the above card, tear off this part and retain it for admission into the meeting.

ADMISSION CARD

Please admit …………………………………………. to the Annual General Meeting of 11Plc which will be held at 11.00 a.m. on the May 19, 2021 at 1 Aguiyi Ironsi Street, Abuja, Nigeria.

Shareholder's Signature ………………………………   Proxy's Signature …………………………

IMPORTANT:

a) This admission card must be produced by the shareholder or his proxy in order to obtain entrance to the Meeting.
b) Shareholders and/ or their proxies are requested to sign the admission card before attending the Meeting.

Affix
Stamp

The Registrar,
GTL Registrars Limited,
274, Murtala Muhammad Way,
Alagomeji, Yaba,
Lagos State.

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Current
Passport
Photograph

E-DIVIDEND MANDATE ACTIVATION FORM

Date ______ ______ ______
DD MM YY

Instructions
Please complete **all sections** of this form to make it eligible for processing and return to the address below:

The Registrar
Greenwich Registrars & Data Solutions Limited
274 Murtala Muhammed Way, Yaba, Lagos

Bank Mandate Information
I\We hereby request that henceforth, all the Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my\our bank detailed below:

Bank Verification Number	
Bank Name	
Bank Account Number	
Account Opening Date	DD / MM / YY

Shareholders Account Information

Surname/Company Name	First Name	Other Name(s)

Address

City	State	Country

Previous Address (if any)

CSCS Clearing House Number	Email Address
Mobile Number (1)	**Mobile Number (2)**
Shareholder's Signature	**2nd Signatory** (Joint/Company Accounts)

Company Seal
(if applicable)

By signing above, the Grantee(s) consents that the Company may process the Grantee's personal data, including name, BVN, address, telephone number and any other relevant information/documentation provided during the course of this transaction. Also, the Data may also be disclosed to a third party for the purpose of processing the transaction.

Only Clearing Banks Are Acceptable

Tick	Company Name	Shareholders Account No.
	11 PLC	
	21P Management Company Limited Series 1	
	Abplast Products PLC	
	Allianz Nigeria Plc (erstwhile Union Assurance Company Limited, Ensure Insurance)	
	Aluminium Extrusion PLC	
	Azvalo Bond	
	Cashew Nuts Processing Industries PLC	
	Chellarams PLC	
	Christlieb PLC	
	DANA Group of Companies PLC Series 1 & 2	
	DN Tyre & Rubber PLC	
	Ekiti State Bond Tranche 2	
	Ekiti State Government Bond	
	EKOCORP PLC	
	Eterna PLC	
	FAN Milk PLC	
	General Telecoms PLC	
	GlaxoSmithKline Nigeria PLC	
	Global Biofuel Nigeria LTD	
	Great Nigeria Insurance PLC	
	Greenwich Alpha ETF	
	Greenwich Money Market Fund	
	Ikeja Hotels PLC	
	Impresit Bakolori PLC	
	Industrial & General Insurance PLC	
	IPWA PLC	
	John Holts PLC	
	Julius Berger Nigeria PLC	
	Kajola Integrated & Investment Company PLC	
	Leonard Nigeria PLC	
	Local Contractors Receivables Bond Tranche 1, 2 & 3	
	Meyer PLC	
	Municipality Waste Management Contractors Limited Series I,II & III	
	Nestle Nigeria PLC	
	Nigeria Cement Company PLC	
	Nigeria Entertainment Fund	
	Nigeria Reinsurance	
	Nigerian Enamelware PLC	
	Nigerian Lamp & Industries	
	Nigerian Wire & Cable PLC	
	Nova Bond Series I	
	Okitipupa Oil Palm PLC	
	Oluwa Glass Company	
	Primero BRT Securitization SPV	
	Studio Press Nigeria PLC	
	Sukh SPV Bond II	
	The Tourist Company of Nigeria PLC	
	Tripple Gee & Company PLC	
	Unilever Nigeria PLC	
	Union Homes REITS	
	Union Homes Savings & Loans PLC	
	University Press PLC	
	Wema Bank PLC	
	Wema Funding SPV Plc Bond Series I & II	

Greenwich Registrars & Data Solutions
Website: www.gtlregistrars.com
Email: info@gtlregistrars.com

Contact Centre
+234-(0)1-2917747
+234-(0)1-2793160-2

Statement on Investors' Relations

11 Plc has a dedicated investors' portal on its corporate website which can be accessed via this link: https://11plc.com/about-11plc-2/investor-relations/

The Company's Investors' Relations Officer can also be reached through electronic mail at: info@11plc.com; or telephone on: +234 1 280 1600 for any investment related enquiry.

CORPORATE SOCIAL RESPONSIBILITY

In addition to financial and food relief donations during the COVID pandemic, **11 Plc** embarked on the distribution of tens of thousand of facial coverings and hands sanitizers to members of the public, stakeholders and community. This initiative became very necessary in order to control the spread of the virus and keep our people safe.

11 Plc also supported campaigns to educate our population towards the need to always adhere to the safety protocols of COVID as advised from time to time by the Centre for Disease Control (CDC).

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Note