



11 PLC

***UNAUDITED CONSOLIDATED FINANCIAL STATEMENT FOR THE
PERIOD ENDED SEPTEMBER 30, 2021.***

1 Mobil Road, Apapa, Lagos.

Mobil™

11Plc
Financial Highlights

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	Group	Company		Change %
	2021	2021	2020	
Revenue	167,393,643	165,225,314	114,746,339	44
Profit before taxation	6,637,689	8,105,811	6,137,075	32
Taxation	(2,647,634)	(2,647,634)	(2,014,344)	31
Profit for the Year	3,990,055	5,458,177	4,122,731	32
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,990,055	5,458,176	4,122,731	32
Earnings per 50k share (kobo)	1,107	1,514	1,143	32
Total assets	112,431,016	115,336,276	95,448,846	21
Capital expenditure	6,623,949	5,503,822	12,382,759	-56
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	-

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.


11Plc
 Unaudited Interim Consolidated Statement of Financial Position
 As at September 30, 2021


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	Note	Group		Company	
		September 2021	December 2020	September 2021	December 2020
Assets					
Non-current assets					
Property plant and equipment	2	42,536,648	37,900,172	22,402,289	17,742,970
Intangible assets	3	10,522	21,164	10,522	21,164
Investment property	4	16,128,706	18,222,889	16,128,706	18,222,889
Right-of-use assets	23	1,904,353	1,846,256	1,904,353	1,846,256
Investments in Subsidiary	2	-	-	22,100,000	22,100,000
Prepayments	5	25,562	37,234	25,562	37,234
Total non-current assets		60,605,791	58,027,715	62,571,432	59,970,513
Current assets					
Inventories	6	17,381,052	9,056,750	17,210,968	8,974,765
Prepayments	5	5,598,386	4,743,465	5,571,638	4,715,152
Trade and other receivables	7	12,277,337	10,645,834	13,749,962	11,454,789
Cash & Cash equivalent	19	16,568,450	10,582,280	16,232,277	10,333,628
Total current asset		51,825,225	35,028,329	52,764,845	35,478,333
Total assets		112,431,016	93,056,044	115,336,277	95,448,846
Equity and Liabilities					
Equity					
Share capital		180,298	180,298	180,298	180,298
Share premium		14,380	14,380	14,380	14,380
Retained income and other reserves	21	40,381,375	39,456,210	45,136,179	42,742,892
Total equity		40,576,053	39,650,888	45,330,857	42,937,570
Current liabilities					
Current tax payable	15	1,509,473	583,250	1,509,473	583,250
Bank overdraft	9	18,830	296,257	18,829	296,257
Trade and other payables	8	42,610,860	24,919,231	40,761,319	24,025,351
Current portion of deferred income	10	3,772,190	7,167,901	3,772,189	7,167,901
Total current liabilities		47,911,353	32,966,639	46,061,810	37,072,759
Non current liabilities					
Deferred tax liability	12	5,224,062	4,829,400	5,224,062	4,829,400
Borrowings	11	10,000,000	5,000,000	10,000,000	5,000,000
Deferred income	10	8,719,548	10,609,117	8,719,548	10,609,117
Total non-current liabilities		23,943,610	20,438,517	23,943,610	15,438,517
Total liabilities		71,854,963	53,405,156	70,005,420	52,511,276
Total Equity and Liabilities		112,431,016	93,056,044	115,336,277	95,448,846

The accounting policies and notes form and integral part of these financial statement.

The financial statements, accounting policies and the notes were signed on behalf of the Board of Directors on October 28, 2021 by:


 A. A. OYEBANI
 FRC/2014/ICAN/0000007151
 MANAGING DIRECTOR


 RAMESH VIRWANI
 FRC/2014/ANAN/0000009240
 EXECUTIVE DIRECTOR


 A. B. NWACHUKWU
 FRC/2014/ICAN/0000007154
 ACCOUNTING MANAGER

11Plc
 Unaudited Interim Consolidated Statement of Profit or Loss
 for the period ended September 30, 2021

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Statement of Income	Group		Company		
	Jan - Sept 2021	Jul - Sept 2021	Jul - Sep 2020	Jan -Sept 2021	Jan - Sept 2020
Revenue	167,393,643	54,276,554	34,206,778	165,225,314	114,746,339
Cost of sales	(153,180,824)	(50,296,191)	(31,145,639)	(152,937,121)	(106,788,040)
Gross profit	14,212,819	3,980,363	3,061,139	12,288,193	7,958,299
Other income	6,159,743	2,092,462	2,281,000	6,159,743	6,287,607
Selling and distribution expenses	(6,690,383)	(2,329,138)	(1,605,170)	(6,690,383)	(4,593,515)
Administrative expenses	(6,735,933)	(618,037)	(1,085,103)	(3,343,185)	(3,300,248)
Other operating income/(expense)	(31,875)	-	-	(31,875)	-
Operating profit	6,914,371	3,125,650	2,651,866	8,382,493	6,352,143
Finance income	144,982	37,146	5,857	144,982	199,782
Finance costs	(421,664)	(79,044)	(273,370)	(421,664)	(414,850)
Profit before taxation	6,637,689	3,083,753	2,384,353	8,105,811	6,137,075
Income tax expense	(2,647,634)	(1,004,688)	(779,809)	(2,647,634)	(2,014,344)
Profit for the year	3,990,055	2,079,065	1,604,544	5,458,177	4,122,731
Basic earnings per share (kobo)	1,107	577	445	1,514	1,143

Statement of Other Income	Jan - Sept 2021	Jul - Sept 2021	Jul - Sept 2020	Jan - Sept 2021	Jan - Sept 2020
Items that will not be reclassified to profit or loss					
Actuarial gains /(losses)		-	-		
Income tax effect on remeasurement		-	-		
Other comprehensive income net of tax		-	-		-
Total comprehensive income for the period	3,990,055	2,079,065	1,604,544	5,458,177	4,122,731

The accounting policies and notes form and integral part of these financial statement.

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Unaudited Interim Consolidated Changes in Equity
for the period ended September 30, 2021

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GROUP						
	Share capital	Share premium	Total share capital	Retained earnings	Other Reserves	Total equity
September 2021						
Balance as at January 1, 2021	180,298	14,380	194,678	39,456,210	-	39,650,888
Profit for the year	-	-	-	3,990,055	-	3,990,055
Prior year adjustment - Asset write off	-	-	-	170	-	170
Dividend payment	-	-	-	(3,065,060)	-	(3,065,060)
Balance as at September 30, 2021	180,298	14,380	194,678	40,381,375	-	40,576,053

11 PLC						
	Share capital	Share premium	Total share capital	Retained earnings	Other Reserves	Total equity
September 2021						
Balance as at January 1, 2020	180,298	14,380	194,678	42,742,892	-	42,937,570
Profit for the year	-	-	-	5,458,177	-	5,458,177
Dividend payment	-	-	-	(3,065,060)	-	(3,065,060)
Prior year adjustment - Asset write off	-	-	-	170	-	170
Balance as at September 30, 2021	180,298	14,380	194,678	45,136,179	-	45,330,857

	Share capital	Share premium	Total share capital	Retained earnings	Other Reserves	Total equity
September 2020						
Balance as at January 1, 2020	180,298	14,380	194,678	39,486,935	-	39,681,613
Profit for the year	-	-	-	4,122,731	-	4,122,731
Dividend payment	-	-	-	-	-	-
Other Comprehensive Income/(loss) for the year	-	-	-	-	-	-
Balance as at September 30, 2020	180,298	14,380	194,678	43,609,666	-	43,804,344

The accounting policies and notes form and integral part of these financial statement.

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Unaudited Interim Consolidated Statement of Cash Flows
for the period ended September 30, 2021

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	Note	Group	Company	
		Jan - Sept 2021	Jan -Sept 2021	Jan - Sept 2020
OPERATING ACTIVITIES				
Operating Profit		6,914,371	8,382,493	6,352,143
Adjustment for non cash items				
Depreciation of fixed assets	2	3,842,935	2,699,963	2,523,970
Asset write off		170	170	-
Depreciation of right-of-use asset	22	147,343	147,343	151,666
Amortization of intangible assets	3	10,642	10,642	-
(Gain) / Loss on disposal of fixed assets	18	31,875	31,875	17,649
Total non cash items		4,032,965	2,889,993	2,693,285
Changes in current assets and liabilities				
Decrease/(Increase) in inventories	6	(8,324,302)	(8,236,204)	-583,353
Decrease/(Increase) in due from associated companies	7	0	(2,223,335)	6,431,581
Decrease/(Increase) in trade debtors and bridging claims	7	45,299	45,299	1,006,040
Decrease/(Increase) in other debtors and prepayments	7	(2,520,463)	(962,363)	(2,014,370)
Increase/(Decrease) in due to associated companies	8	5,916,480	6,060,231	(666,800)
Increase/(Decrease) in trade creditors and bridging allowance	8	134,377	84,569	4,178,328
Increase/(Decrease) in other creditors and accruals	8	11,640,774	10,591,168	2,502,855
Increase/(Decrease) in unamortised rental income	10	(5,285,281)	(5,285,281)	(8,500,289)
Net changes in current assets and liabilities		1,606,884	74,084	2,353,993
Income taxes paid	15	(1,326,334)	(1,326,334)	(3,549,527)
Net cash generated from operating activities		11,227,885	10,020,236	7,849,894
INVESTING ACTIVITIES				
Purchase of fixed assets	2	(6,418,510)	(5,298,382)	(11,812,620)
Proceeds from disposal of assets		1,405	1,405	-
Interest received		144,982	144,982	199,782
Net cash used in investing activities		(6,272,123)	(5,151,995)	(11,612,838)
FINANCING ACTIVITIES				
Dividend paid		(3,065,060)	(3,065,060)	-
Finance to purchase leased assets	22	(205,440)	(205,440)	(166,750)
Increase/(Decrease) in borrowings	11	5,000,000	5,000,000	(3,617,000)
Interest charges		(421,664)	(421,664)	(414,850)
Net cash used in financing activities		1,307,836	1,307,836	(4,198,600)
Net Increase/(Decrease) in cash and cash equivalents		6,263,598	6,176,078	(7,961,545)
Cash and cash equivalents at beginning of the period		10,286,023	10,037,370	6,107,109
Cash and cash equivalents at end of the period		16,549,621	16,213,448	(1,854,436)

The accounting policies and notes form and integral part of these financial statement.

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

Reporting Entity

11Plc (formerly Mobil Oil Nigeria plc) was incorporated as a Private Limited Liability Company in 1951. It became a public limited liability company in 1978 and its share capital was listed on the Nigerian Stock Exchange (the Exchange) until Friday, 7 May 2021.

Further to its voluntary delisting from the Exchange, 11 Plc shares are now listed on the platform of NASD OTC Securities Exchange with effect from June 18, 2021.

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 11Plc is 78.82% while other investors hold 21.18%.

The Change in Control (CIC) resulted in the change of the Company name to 11Plc (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, 11Plc 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 October 28, 2021.

2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at September 30, 2021. 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. 11Plc 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

11Plc 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.

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

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.

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

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:

<u>Item</u>	<u>Average useful life (years)</u>
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.

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

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:

<u>Item</u>	<u>Average useful life (years)</u>
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 11Plc and UAC, which has a contractual life of 10 years.

c) Permits

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

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

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 order to collect contractual cash flows; and

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

- '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

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

- 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.

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Accounting Policies

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 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 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.

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

b) Post-employment benefits

Defined Contribution

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

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 recognized as the performance obligation is satisfied.

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

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 24.

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.

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Accounting Policies

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.

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, 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

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Unaudited Interim Consolidated Financial Statement for the period ended September 30, 2021

Accounting Policies

below. 11Plc based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of Investment properties

11Plc carries its investment properties at cost. 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 September 30, 2021 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 – 11Plc as lessor

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

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Notes to the Unaudited Interim Consolidated Financial Statement
For the Period Ended September, 2021

1 The Group

11 Plc was incorporated as a private limited liability company in 1951. It became a public limited liability company in 1978 and its share capital was listed on the Nigerian Stock Exchange (the Exchange) until Friday, 7 May 2021.

Further to its voluntary delisting from the Exchange, 11 Plc shares are now listed on the platform of NASD OTC Securities Exchange with effect from June 18, 2021.

Nipco Plc hold 78.82% of the issued share capital while other investors hold 21.18%.

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

2 Property, plant and equipment Group

September 2021	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	1,895,153	19,747,184	21,656,906	3,197,911	610,072	22,290,221	69,397,446
Additions	-	1,015,121	98,303	26,848	-	5,278,238	6,418,510
Transfer between asset classes	-	-	-	-	-	-	-
Transfers from asset under Construction	-	11,888	49,541	-	-	(61,429)	-
Disposals	-	(5,011)	(15,411)	-	(20,129)	-	(40,551)
At the end of the period	1,895,153	20,769,182	21,789,339	3,224,759	589,942	27,507,030	75,775,405
Depreciation							
At beginning of the year	-	(3,087,942)	(5,114,405)	(801,378)	(393,549)	-	(9,397,274)
Charge for year	-	(415,760)	(981,375)	(463,729)	(41,150)	-	(1,902,013)
Transfer between asset classes	-	-	-	-	-	-	-
Disposals	-	1,584	11,877	-	17,194	-	30,655
At the end of the period	-	(3,502,117)	(6,083,903)	(1,265,107)	(417,505)	-	(11,268,633)
Realignment of asset classes	-	(171,045)	96,670	13,742	7,066	183,442	129,876
Net book value							
September 30, 2021	1,895,153	17,267,065	15,705,435	1,959,651	172,437	5,407,030	42,536,648

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	15,321,405	3,277,622	481,937	16,855,632	57,048,021
Additions	245,607	230,813	696,922	23,935	128,134	11,057,349	12,382,758
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 end of the year	1,895,153	19,747,184	21,656,906	3,197,912	610,071	22,290,221	69,397,446
Depreciation							
At beginning of the year	-	(2,546,198)	(3,919,977)	(311,994)	(338,728)	-	(7,116,897)
Charge for year	-	(541,744)	(1,084,487)	(627,820)	(54,821)	-	(2,308,872)
Transfer between asset classes	-	-	(138,436)	138,436	-	-	-
Disposals	-	-	28,495	-	-	-	28,495
At end of the year	-	(3,087,942)	(5,114,405)	(801,378)	(393,549)	-	(9,397,274)
Net book value							
December 31, 2020	1,895,153	16,659,242	16,542,501	2,396,534	216,522	190,221	37,900,172

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Notes to the Unaudited Interim Consolidated Financial Statement
For the Period Ended September, 2021

**Property, plant and equipment
Company**

September 2021	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	N'000
Cost							
At beginning of the year	1,895,153	7,422,792	15,335,763	228,484	579,064	190,221	25,651,477
Additions	-	20,144	-	-	-	5,278,238	5,298,382
Transfers from asset under Construction	-	11,888	49,541	-	-	(61,429)	-
Disposals	-	(5,011)	(15,411)	-	(20,129)	-	(40,551)
At the end of the period	1,895,153	7,449,813	15,369,893	228,484	558,935	5,407,030	30,909,307
Depreciation							
At beginning of the year	-	(2,841,454)	(4,482,291)	(198,965)	(385,797)	-	(7,908,507)
Charge for year	-	(215,968)	(499,917)	(7,820)	(35,336)	-	(759,041)
Disposals	-	1,584	11,877	-	17,194	-	30,655
At the end of the period	-	(3,055,838)	(4,970,331)	(206,785)	(403,939)	-	(8,636,893)
Realignment of asset classes		(171,045)	96,670	13,742	7,066	183,442	129,875
Net book value							
September 30, 2021	1,895,153	4,222,930	10,496,233	35,440	162,062	5,590,472	22,402,289
INV IN SUB						22,100,000	22,100,000

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	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)	-	-	-
Transfer from asset under construction	-	54,493	5,568,267	-	-	(5,622,760)	-
Disposals	-	-	(33,333)	-	-	-	(33,333)
At end of the year	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 end of the year	-	(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

3 Intangible assets**Company**

September 2021	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
Additions	-	-	-	-
Disposals	-	-	-	-
At the end of the period	229,582	-	15,045	244,627
Amortization				
At beginning of the year	(218,386)	-	(5,077)	(223,463)
Amortization for the period charged to expense	(10,078)	-	(564)	(10,642)
Disposals	-	-	-	-
At the end of the period	(228,464)	-	(5,641)	(234,105)
Net Book Value				
September 30, 2021	1,118	-	9,404	10,522

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 end of the year	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 end of the year	(218,386)	-	(5,077)	(223,463)
Net Book Value				
December 31, 2020	11,196	0	9,968	21,164

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.

Notes to the Unaudited Interim Consolidated Financial Statement
For the Period Ended September, 2021

	Group		Company	
	Sept 2021	December 2020	Sept 2021	December 2020
4 Investment Property				
Opening balance	18,222,889	20,796,632	18,222,889	20,796,632
Disposals	(23,384)	-	(23,384)	-
Depreciation	(1,929,686)	(2,573,743)	(1,929,686)	(2,573,743)
Realignment of asset class	(141,113)		(141,113)	
Closing balance	16,128,706	18,222,889	16,128,706	18,222,889
Amounts recognized in statement of comprehensive				
Rental income from investment property	3,882,677	7,660,720	3,882,677	7,660,720
Direct operating expenses from rental generating	(1,929,636)	(2,587,251)	(1,929,636)	(2,587,251)
5 Prepayments (Non-Current)				
Employee benefits	25,562	37,234	25,562	37,234
Prepayment and deferred charges	25,562	37,234	25,562	37,234
This represents prepaid rent for company owned service				
Prepayments (Current)				
Trade	5,561,365	4,686,220	5,561,365	4,672,583
Insurance	37,021	57,246	10,273	42,569
Total Prepayments	5,623,948	4,743,465	5,597,200	4,752,386
6 Inventories				
Raw materials	14,272,649	5,761,725	14,189,445	5,715,363
Finished products	2,936,659	2,886,516	2,917,323	2,875,321
Consumable equipment and spares	171,744	408,508	104,200	384,080
Total	17,381,052	9,056,749	17,210,968	8,974,764
7 Trade debtors and other receivables				
Trade debtors	9,178,812	9,224,110	9,178,812	9,224,110
Other debtors	2,393,618	970,818	575,138	712,003
Withholding tax receivable	279,118	-	279,118	-
Advances and employee receivables	425,789	450,906	425,789	450,906
Due from associated companies:				
11 Hospitality	-	-	3,291,105	1,067,770
Total	12,277,337	10,645,834	13,749,962	11,454,789
Aging analysis of trade debtor				
Current	8,357,349	6,899,464	8,357,349	6,899,464
Overdue 1 - 30 Days	821,463	1,160,385	821,463	1,160,385
Overdue 31 - 60 days	-	324,305	-	324,305
Overdue 61 - 90 days	-	534,079	-	534,079
Overdue 91 - 180 days	-	28,105	-	28,105
Overdue 181 days	-	277,772	-	277,772
Total	9,178,812	9,224,110	9,178,812	9,224,110
8 Payables and other liabilities				
Trade creditors	6,717,960	5,671,769	6,400,954	5,404,570
Other creditors	12,717,501	1,294,429	11,459,193	1,038,402
Accruals	265,033	47,521	46,760	47,521
Bridging allowance	2,172,377	3,084,191	2,172,377	3,084,191
Unclaimed dividend and payments	1,248,708	1,318,314	1,248,708	1,318,314
Value Added Tax	571,439	494,083	571,439	451,370
Withholding tax payable	124,267	100,962	124,267	3,593
Due to associated companies:				
Nipco	12,586,797	2,265,618	12,530,842	2,065,913
Purebond	1,692,645	2,616,931	1,692,645	2,616,931
Agri Chem	4,514,133	7,994,546	4,514,133	7,994,546
Total	42,610,860	24,919,231	40,761,319	24,025,351

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Notes to the Unaudited Interim Consolidated Financial Statement
For the Period Ended September, 2021

	=N='000		=N='000	
	Group		Company	
	Sept 2021	December 2020	Sept 2021	December 2020
9 Financial Instruments				
(a) Financial Assets				
Trade receivables	9,178,812	9,224,110	9,178,812	9,224,110
Other receivables (excluding VAT and WHT)	6,110,513	2,489,493	4,292,033	2,230,679
Cash and cash equivalents	16,568,450	10,582,280	16,232,277	10,333,627
Total	31,857,775	22,295,884	29,703,121	21,788,416
Impairment				
Trade receivables	9,212,390	9,246,623	9,212,390	9,246,623
Allowance for expected credit losses	(33,579)	(22,513)	(33,579)	(22,513)
Total	9,178,811	9,224,110	9,178,811	9,224,110
(b) Financial Liabilities				
Trade and other payables (excluding VAT and WHT)	43,513,617	25,361,096	38,372,968	23,570,392
Bank Overdraft	18,829	296,257	18,829	296,257
Borrowings	10,000,000	5,000,000	10,000,000	5,000,000
Total	53,532,446	30,657,353	48,391,797	28,866,649
10 Deferred revenue				
(a) Portion of deferred revenue due after one year (Non-current)	8,719,548	10,609,117	8,719,548	10,609,117
(b) Portion of deferred revenue due within a year (Current)	3,772,189	7,167,901	3,772,189	7,167,901
11 Borrowings				
(a) Borrowings due after one year (Non-current)	10,000,000	5,000,000	10,000,000	5,000,000
The lender of the term loan is Zenith Bank.				
12 Deferred income tax				
(a) Deferred tax movement				
At beginning of the period	(4,829,400)	(3,483,517)	(4,829,400)	(3,483,517)
Current period charge/ (provision)	(394,662)	(1,345,883)	(394,662)	(1,345,883)
At the end of the period	(5,224,062)	(4,829,401)	(5,224,062)	(4,829,400)
(b) Deferred tax asset				
Advance rent	2,466,856	3,004,375	2,466,856	3,004,375
Total deferred tax asset	2,466,856	3,004,375	2,466,856	3,004,375
Deferred tax liability				
Accelerated depreciation	(7,040,747)	(7,287,922)	(7,040,747)	(7,287,922)
Capital gains tax rollover	(345,726)	(345,726)	(345,726)	(345,726)
Bad debt & unrealised forex	(304,445)	(200,127)	(304,445)	(200,127)
Total deferred tax liability	(7,690,918)	(7,833,775)	(7,690,918)	(7,833,775)
Net deferred tax asset/(liability)	(5,224,062)	(4,829,400)	(5,224,062)	-4,829,400
13 Pension plan liability				
On the 1st February, 2017, the active members transferred to the Defined Contribution Scheme, leaving annuitants to continue with the Defined Benefit Scheme.				
(b) Defined contribution	48,382	70,907	48,382	70,907

	September 2021	September 2020
14 Disaggregated revenue information		
This relates to the disaggregation of the Group's revenue from contracts with customers:		
Segments		
Types of goods		
Fuels	114,392,558.57	86,701,216
Lubes	41,261,646	26,697,104
Liquefied petroleum gas(LPG)	9,571,109	1,348,019
Revenue from Hospitality Business	2,168,329	
Total revenue from contracts with customers	167,393,643	114,746,339
Geographical markets		
Nigeria	167,393,643	114,746,339
Timing of revenue recognition		
Goods transferred at a point in time	167,393,643	114,746,339
Revenue		
Third party sales	153,979,367	108,896,222
Intercompany sales	13,414,276	5,850,117
Total	167,393,643	114,746,339
Assets and liabilities related to contracts with customers	9,178,812	5,409,692

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

	Group		Company	
	Sept 2021	December 2020	Sept 2021	December 2020
15 Current tax analysis:				
Movement in current income tax balance				
At beginning of the period	583,250	2,767,932	583,250	2,767,932
Payments	(1,326,334)	(3,596,459)	(1,326,334)	(3,596,459)
Provision for the period	2,252,972	1,412,192	2,252,972	1,412,192
Withholding tax credit	(415)	(415)	(415)	(415)
At the end of the period	1,509,473	583,250	1,509,473	583,250
	Sept 2021	Sept 2020	Sept 2021	Sept 2020
Taxation charge for the period				
Based on profit for the period :				
Company income tax	2,077,196	2,807,181	2,077,196	2,807,181
Education tax	175,776	211,563	175,776	211,563
Current taxes	2,252,972	3,018,743	2,252,972	3,018,744
Deferred tax Profit & Loss	394,662	(1,004,400)	394,662	(1,004,400)
Total Company Deferred taxes	394,662	(1,004,400)	394,662	(1,004,400)
Taxation Charge Profit & Loss	2,647,634	2,014,344	2,647,634	2,014,344
Total company Taxation charge	2,647,634	2,014,344	2,647,634	2,014,344
The tax charge comprises of company income tax at 30% of taxable income plus education tax at 2% of taxable income before capital allowances.				
16 Other income				
Gain/(Loss) on foreign exchange transactions			673,180	223,183
Other income				
Rent income	6,011,922	5,877,376	6,011,922	5,877,376
Back-court income	45,499	48,334	45,499	48,334
Others	102,324	361,897	102,324	361,897
Total	6,159,744	6,287,607	6,159,743	6,287,607
Included in the Rent Income is N5,832M relating to rents received from investment properties				
17 Finance Income				
Interest income	144,982	199,782	144,982	199,782
Total	144,982	199,782	144,982	199,782
18 Other non-operating income/(expense)				
Profit/(Loss) on disposal of property, plant & equipment	(31,875)	-	(31,875)	-
Total	(31,875)	-	(31,875)	-
19 Cash and cash equivalents				
Bank balance	4,546,600	6,361,768	4,210,427	6,361,768
Short-term bank deposits	12,021,850	-	12,021,850	-
Trade Deposit	-	-	-	-
Overdraft	(18,829)	(8,216,204)	(18,829)	(8,216,204)
At the end of the period	16,549,622	(1,854,436)	16,213,449	(1,854,436)
628M is domiciled in dollars and subject to exchange rate fluctuations.				
	Sept 2021	December 2020	Sept 2021	December 2020
20 Dividends				
At beginning of the period				
Dividend Proposed	3,065,060	2,974,911	3,065,060	2,974,911
Dividend Paid	(3,065,060)	(2,974,911)	(3,065,060)	(2,974,911)
At the end of the period	-	-	-	-
21 Reserves				
At the beginning of the period	39,456,210	39,486,935	42,742,892	39,486,935
Profit for the period	3,990,055	6,230,868	5,458,177	6,230,868
Asset writ off	170	-	170	-
Dividend paid	(3,065,060)	(2,974,911)	(3,065,060)	(2,974,911)
At the end of the period	40,381,275	42,742,892	45,136,179	42,742,892

22 RIGHT OF USE ASSET

September 2021

Cost	
At beginning of the year	2,257,189
Additions	205,440
Transfers from asset under Construction	-
At the end of the period	2,462,629
Depreciation	
At beginning of the year	(410,934)
Charge for year	(147,343)
At the end of the period	(558,276)
Net book value	
September 30, 2021	1,904,353

December 2020

Cost	
At beginning of the year	1,722,040
Additions	535,150
Transfers from asset under Construction	-
At the end of the period	2,257,189
Depreciation	
At beginning of the year	(194,570)
Charge for year	(216,364)
At the end of the period	(410,934)
Net book value	
December 31, 2020	1,846,256

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Notes to the Unaudited Interim Consolidated Financial Statement
for the period ended September 30, 2021

23 Segmental Information

As at September 30, 2021, the Group had two reportable business segments:
(i) Petroleum Products Marketing (ii) Property Business

All MON's assets are located within Nigeria and there were no export sales made as at September 30, 2021. (2020: Nil)

Segment revenue reported below represents revenue generated from external customers. There were also no intersegment sales as at September 30, 2021 (2020: nil). The accounting policy of the reportable segments below are the same as 11Plc's accounting policies disclosed in the financial statements.

	Petroleum Products Marketing (N'000)	Investment property (N'000)	Hospitality (N'000)	Total (N'000)
A The segment results for the period ended September 30, 2021 are as follows:				
Revenue	165,225,313	-	2,168,329	167,393,643
Cost of sales	(152,937,121)	-	(243,703)	(153,180,824)
Operating expense	(8,135,806)	(1,929,636)	(3,392,748)	(13,458,190)
Other income	2,277,066	3,882,677	-	6,159,743
Finance income	144,982	-	-	144,982
Finance costs	(421,664)	-	-	(421,664)
Profit before tax	6,152,770	1,953,041	(1,488,122)	6,637,689
Taxation credit/charge	(1,984,236)	(663,398)	-	(2,647,634)
Profit for the period	4,168,534	1,289,643	(1,468,122)	3,990,055

The segment results for the period ended September 30, 2020 are as follows:

Revenue	114,746,339	-	-	114,746,339
Cost of sales	(106,788,040)	-	-	(106,788,040)
Operating expense	(5,949,842)	(1,943,921)	-	(7,893,762)
Other income	592,451	5,695,156	-	6,287,607
Finance income	199,782	-	-	199,782
Finance costs	(414,850)	-	-	(414,850)
Profit before taxation	2,385,840	3,751,235	-	6,137,075
Taxation	(775,341)	(1,239,003)	-	(2,014,344)
Profit for the period	1,610,499	2,512,232	-	4,122,731

B Reconciliation of segment assets and liabilities to total assets and liabilities as at September 30, 2021:

Intangible assets	10,522	-	-	10,522
Segmented total assets (excl. cash and cash equivalents & deferred tax)	57,573,670	16,128,703	22,149,671	95,852,045
Segmented total liabilities (excl. bank overdraft, borrowings & deferred tax)	(58,597,584)	(13,155,136)	5,140,649	(66,612,071)
Deferred tax	-	(5,224,062)	-	(5,224,062)
Cash and cash equivalents	15,877,276	-	336,173	16,213,449
Segmented net assets	14,863,883	(2,250,494)	27,626,492	40,239,882
Capital expenditure	5,503,822	-	1,120,128	6,623,949
Depreciation charge for the year	(928,263)	(1,929,886)	(1,142,971)	(4,000,920)

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	18,086,278	20,526,318	82,452,600
Segmented total liabilities (excl. bank overdraft, borrowings & deferred tax)	(22,933,614)	(22,307,538)	1,961,653	(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	(9,050,659)	22,736,624	44,650,889
Capital expenditure	12,290,303	-	92,456	12,382,759
Depreciation charge for the year	(1,060,000)	(2,573,741)	(1,488,767)	(5,122,509)

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

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

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