Unaudited Consolidated and Separate Interim Financial Statements
For the period ended 31 March 2018

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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 MARCH 2018

GROUP	NOTE	Three months ended 31 March 2018 N'000	Three months ended 31 March 2017 N'000
Continuing operations			
Revenue	3.3	150,546,956	138,272,046
Cost of sales		(122,605,130)	(124,862,041)
Gross profit		27,941,826	13,410,005
Other operating income		802,279	7,499,881
Administrative expenses		(13,855,245)	(13,286,498)
Operating profit	3.3	14,888,860	7,623,388
Finance costs		(10,642,210)	(10,664,825)
Finance income		2,399,351	2,269,846
Finance costs - net	3.3	(8,242,859)	(8,394,979)
Share of (loss)/profit of associate		(139,915)	124,557
Profit/(loss) before income tax from continuing operations	3.3	6,506,086	(647,034)
Income tax (expense)/credit	3.3	(2,314,506)	1,218,074
Profit for the period from continuing operations		4,191,580	571,040
Discontinued operations			
Profit after tax for the period from discontinued operations	18d	-	1,140,663
Profit for the period		4,191,580	1,711,703
Profit attributable to:			
Equity holders of the parent		2,228,496	607,989
Non-controlling interest		1,963,084	1,103,714
		4,191,580	1,711,703

Earnings per share from continuing and discontinued operations attributable to ordinary equity holders of the parent during the period (expressed in kobo per share):

	NOTE	2018	2017
Basic and diluted earnings per share	17		
From continuing operations		18	(4)
From discontinued operations		-	9
From profit for the period		18	5

The accounting policies and notes form an integral part of these unaudited interim consolidated and separate financial statements.

GROUP	Three months ended 31 March 2018 N'000	Three months ended 31 March 2017 N'000
Profit for the period	4,191,580	1,711,703
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss in subsequent periods:		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	302,654	77,402
Other comprehensive income for the period, net of tax	302,654	77,402
Other comprehensive income for the period, net of tax	302,654	77,402
Total comprehensive profit for the period, net of tax	4,494,234	1,789,105
Attributable to:		
- Equity holders of the parent	2,562,902	372,748
- Non-controlling interests	1,931,332	1,416,357
Total comprehensive profit for the period, net of tax	4,494,234	1,789,105

COMPANY	NOTE	Three months ended 31 March 2018 N'000	Three months ended 31 March 2017 N'000
Revenue	3.3	-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income		904,731	5,020,332
Administrative expenses		(1,191,699)	(6,346,160)
Operating loss	3.3	(286,968)	(1,325,828)
Finance costs		(3,937,561)	(4,611,771)
Finance income		285,360	436,431
Finance costs - net	3.3	(3,652,201)	(4,175,340)
Loss before income tax	3.3	(3,939,169)	(5,501,168)
Income tax expense	3.3	-	(37,043)
Loss for the period		(3,939,169)	(5,538,211)
Loss attributable to:			
Equity holders of the parent		(3,939,169)	(5,538,211)
Non-controlling interest		-	-
		(3,939,169)	(5,538,211)

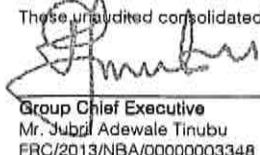
The accounting policies and notes form an integral part of these unaudited interim consolidated and separate financial statements.

COMPANY	Three months ended 31 March 2018 N'000	Three months ended 31 March 2017 N'000
Loss for the period	(3,939,169)	(5,538,211)
Other comprehensive (loss)/income:		
Items that will not be reclassified to profit or loss in subsequent periods:		
Other comprehensive loss for the period, net of tax	-	-
Total comprehensive loss for the period, net of tax	(3,939,169)	(5,538,211)
Attributable to:		
- Equity holders of the parent	(3,939,169)	(5,538,211)
- Non-controlling interests	-	-
Total comprehensive loss for the period, net of tax	(3,939,169)	(5,538,211)

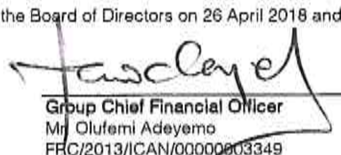
OANDO PLC
UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

Assets	NOTE	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Non-current assets					
Property, plant and equipment	4	335,259,359	343,466,113	1,460,914	1,507,722
Intangible assets	5	426,839,615	426,866,570	-	-
Investment property	6	1,033,000	1,033,000	1,033,000	1,033,000
Investment in associate	7	7,399,960	7,540,014	2,716,431	2,716,431
Deferred tax assets		44,276,873	46,108,713	-	-
Finance lease receivables		72,633,341	72,539,702	-	-
Non-current receivables	9	22,611,554	23,202,580	9,365,366	9,365,366
Investment in subsidiaries		-	-	55,368,549	55,368,549
Restricted cash	12a	7,799,105	12,479,146	250,000	-
		917,852,807	933,235,838	70,194,260	69,991,068
Current assets					
Inventories	10	1,832,761	2,583,094	-	-
Derivative financial assets		9,414	18,572	-	-
Trade and other receivables	11	135,250,386	93,798,956	142,255,722	141,588,922
Prepayments		4,067,967	2,582,527	1,347,775	1,289,580
Available-for-sale financial assets	8	61,855	61,856	59,895	59,895
Cash and cash equivalents (excluding bank overdrafts)	12a	17,144,745	7,895,061	564,935	915,653
		158,367,128	106,940,066	144,228,327	143,854,050
Total assets		1,076,219,935	1,040,175,904	214,422,587	213,845,118
Equity and Liabilities					
Equity attributable to equity holders of the parent					
Share capital	16	6,215,706	6,215,706	6,215,706	6,215,706
Share premium	16	176,588,527	176,588,527	176,588,527	176,588,527
Retained loss		(136,448,603)	(138,677,099)	(197,269,207)	(193,330,038)
Other reserves		131,809,428	131,475,022	17,690	17,690
		178,165,058	175,602,156	(14,447,284)	(10,508,115)
Non controlling interest		89,764,956	87,833,624	-	-
Total equity		267,930,014	263,435,780	(14,447,284)	(10,508,115)
Liabilities					
Non-current liabilities					
Borrowings	14	98,168,386	99,587,920	87,320,834	87,320,834
Deferred tax liabilities		217,693,235	222,207,944	-	-
Provision and other liabilities	15	54,959,226	54,880,692	-	-
		370,820,847	376,676,556	87,320,834	87,320,834
Current liabilities					
Trade and other payables	13	232,018,678	187,935,945	121,909,545	117,389,268
Borrowings	14	128,970,858	137,854,339	17,236,247	17,239,886
Current income tax liabilities		74,611,911	72,405,657	535,618	535,618
Dividend payable		1,650,277	1,650,277	1,650,277	1,650,277
Provision and other liabilities	15	217,350	217,350	217,350	217,350
		437,469,074	400,063,568	141,549,037	137,032,399
Total liabilities		808,289,921	776,740,124	228,869,871	224,353,233
Total equity and liabilities		1,076,219,935	1,040,175,904	214,422,587	213,845,118

These unaudited consolidated and separate financial statements were approved by the Board of Directors on 26 April 2018 and signed on its behalf by:



Group Chief Executive
Mr. Jubril Adewale Tinubu
FRC/2013/NBA/00000003348



Group Chief Financial Officer
Mr Olufemi Adeyemo
FRC/2013/ICAN/00000003349

The accounting policies and notes form an integral part of these unaudited interim consolidated and separate financial statements.

GROUP	Share Capital & Share Premium N'000	Other reserves N'000	Retained earnings N'000	Equity holders of parent N'000	Non controlling interest N'000	Total equity N'000
Balance as at 1 January 2017	180,824,232	93,826,307	(152,287,138)	122,363,401	69,981,178	192,344,579
Profit for the period	-	-	607,989	607,989	1,103,714	1,711,703
Other comprehensive (loss)/income for the period	-	(235,241)	-	(235,241)	312,643	77,402
Total comprehensive income/(loss) for the period	180,824,232	93,591,066	(151,679,149)	122,736,149	71,397,535	194,133,684
Conversion of OODP's convertible debt	1,980,000	-	-	1,980,000	-	1,980,000
Total transactions with owners of the parent, recognised directly in equity	1,980,000	-	-	1,980,000	-	1,980,000
Balance as at 31 March 2017	182,804,232	93,591,066	(151,679,149)	124,716,149	71,397,535	196,113,684
Balance as at 1 January 2018	182,804,233	131,475,022	(138,677,099)	175,602,156	87,833,624	263,435,780
Profit for the period	-	-	2,228,496	2,228,496	1,963,084	4,191,580
Other comprehensive income/(loss) for the period	-	334,406	-	334,406	(31,752)	302,654
Total comprehensive income/(loss) for the period	182,804,233	131,809,428	(136,448,603)	178,165,058	89,764,956	267,930,014
Total transactions with owners of the parent, recognised directly in equity	-	-	-	-	-	-
Balance as at 31 March 2018	182,804,233	131,809,428	(136,448,603)	178,165,058	89,764,956	267,930,014

Company	Share Capital N'000	Other reserves N'000	Retained earnings N'000	Total equity N'000
1 January 2017	180,824,232	-	(168,509,605)	12,314,627
Loss for the period	-	-	(5,538,211)	(5,538,211)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss	-	-	(5,538,211)	(5,538,211)
Conversion of OODP's convertible debt	1,980,000	-	-	1,980,000
Total transactions with owners of the parent, recognised directly in equity	1,980,000	-	-	1,980,000
Balance as at 31 March 2017	182,804,232	-	(174,047,816)	8,756,416
Balance as at 1 January 2018	182,804,233	17,690	(193,330,038)	(10,508,115)
Loss for the period	-	-	(3,939,169)	(3,939,169)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(3,939,169)	(3,939,169)
Total transactions with owners of the parent, recognised directly in equity	-	-	-	-
Balance as at 31 March 2018	182,804,233	17,690	(197,269,207)	(14,447,284)

OANDO PLC
UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018

	NOTE	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Cash flows from operating activities					
Cash generated from operations	19	21,771,926	12,838,260	(104,825)	(3,238,319)
Net (decrease)/increase in working capital	20	(3,150,207)	(1,152,844)	3,911,127	(466,108)
Interest paid		(3,584,228)	(8,587,949)	(3,873,439)	(779,604)
Income tax paid		(2,702,571)	(1,533,889)	-	-
Net cash from/(used in) operating activities		12,334,920	1,563,577	(67,137)	(4,484,031)
Cash flows from investing activities					
Purchases of property plant and equipment		(2,303,440)	(1,714,125)	(48,610)	-
Available for sale investment		-	(566,034)	-	(566,034)
Disposal of subsidiary, net of cash		1,082,982	(28,847)	-	-
Purchase of intangible exploration assets		(124,433)	(98,349)	-	-
Proceeds from sale of property plant and equipment		2,389,387	4,365	15,025	556
Finance lease received		1,947,854	-	-	-
Interest received		203	2,423,476	163	436,431
Net cash from/(used in) investing activities		2,992,553	20,486	(33,422)	(129,047)
Cash flows from financing activities					
Finance lease received		-	1,656,872	-	-
Repayment of long term borrowings		(1,696,105)	(1,344,357)	-	-
Proceeds from other short term borrowings		-	27,950,233	-	10,871,532
Repayment of other short term borrowings		(9,053,086)	(29,694,448)	-	(11,681,190)
Restricted cash		4,677,559	96,753	(250,000)	(1,022,233)
Net cash used in financing activities		(6,071,632)	(1,334,947)	(250,000)	(1,831,891)
Net change in cash and cash equivalents		9,255,841	249,116	(350,559)	(6,444,969)
Cash and cash equivalents at the beginning of the period		7,895,061	10,596,470	915,653	7,752,128
Exchange (loss)/gain on cash and cash equivalents		(6,157)	32,778	(159)	3,330
Cash and cash equivalents at end of the period		17,144,745	10,878,364	564,935	1,310,489
Cash and cash equivalents at 31 March 2018:					
Included in cash and cash equivalents per statement of financial position		17,144,745	10,878,364	564,935	1,310,489
Included in the assets of the disposal group		-	-	-	-
		17,144,745	10,878,364	564,935	1,310,489
Cash and cash equivalent at period end is analysed as follows:					
Cash and bank balance as above		17,144,745	11,680,523	564,935	1,310,489
Bank overdrafts		-	(802,159)	-	-
	12b	17,144,745	10,878,364	564,935	1,310,489

The accounting policies and notes form an integral part of these unaudited consolidated and separate financial statements.

1. General information

Oando PLC (formerly Unipetrol Nigeria Plc.) was registered by a special resolution as a result of the acquisition of the shareholding of Esso Africa Incorporated (principal shareholder of Esso Standard Nigeria Limited) by the Federal Government of Nigeria. It was partially privatised in 1991 and fully privatised in the year 2000 following the disposal of the 40% shareholding of Federal Government of Nigeria to Ocean and Oil Investments Limited and the Nigerian public. In December 2002, the Company merged with Agip Nigeria Plc. following its acquisition of 60% of Agip Petrol's stake in Agip Nigeria Plc. The Company formally changed its name from Unipetrol Nigeria Plc. to Oando PLC in December 2003.

Oando PLC (the "Company") is listed on the Nigerian Stock Exchange and the Johannesburg Stock Exchange. In 2016, the Company embarked on a reorganisation and disposed some subsidiaries in the Energy, Downstream and Gas & Power segments. The Company disposed Oando Energy Services and Akute Power Ltd effective 31 March 2016 and also target companies in the Downstream division effective 30 June 2016. It also divested its interest in the Gas and Power segment in December 2016 with the exception of Alausa Power Ltd which was disposed off on 31 March 2017. The Company retains its significant ownership in Oando Trading Bermuda (OTB), Oando Trading Dubai (OTD) and its upstream businesses (See note 3 for segment result), hereinafter referred to as the Group.

On October 13, 2011, Exile Resources Inc. ("Exile") and the Oando Exploration and Production Division ("OEPD") of Oando PLC ("Oando") announced that they had entered into a definitive master agreement dated September 27, 2011 providing for the previously announced proposed acquisition by Exile of certain shareholding interests in Oando subsidiaries via a Reverse Take Over ("RTO") in respect of Oil Mining Leases ("OMLs") and Oil Prospecting Licenses ("OPLs") (the "Upstream Assets") of Oando (the "Acquisition") first announced on August 2, 2011. The Acquisition was completed on July 24, 2012 (Completion date"), giving birth to Oando Energy Resources Inc. ("OER"); a company which was listed on the Toronto Stock Exchange between the Completion date and May 2016. Immediately prior to completion of the Acquisition, Oando PLC and the Oando Exploration and Production Division first entered into a reorganization transaction (the "Oando Reorganization") with the purpose of facilitating the transfer of the OEPD interests to OER (formerly Exile).

OER effectively became the Group's main vehicle for all oil exploration and production activities.

In 2016, OER previously quoted on Toronto Stock Exchange (TSX), notified the (TSX) of its intention to voluntarily delist from the TSX. The intention to delist from the TSX was approved at a Board meeting held on the 18th day of December, 2015. The shares of OER were delisted from the TSX at the close of business on Monday, May 16th 2016. Upon delisting, the requirement to file annual reports and quaterly reports to the Exchange will no longer be required. The Company believes the objectives of the listing in the TSX was not achieved and the Company judges that the continued listing on the TSX was not economically justified.

To effect the delisting, a restructuring of the OER Group was done and a special purpose vehicle, Oando Exploration and Production Holdings Limited ("OEPH") was set up to acquire all of the issued and outstanding shares of OER. As a result of the restructuring, shares held by the previous owners of OER (Oando PLC (93.49%), the institutional investors in OER (5.08%) and certain Key Management Personnel (1.43%) were required to be transferred to OEPH, in exchange for an equivalent number of shares in OEPH. The share for share exchange between entities in the Oando Group is considered as a business combination under common control not within the scope of IFRS 3.

OEPH purchased the remaining shares in OER from the remaining shareholders who did not partake in the share exchange arrangement for a cash consideration. The shareholders of the 5,733,277 shares were paid a cash consideration of US$1.20 per share in accordance with the plan of arrangement. As a result of the above, OEPH Holdings now owns 100% of the shares in OER.

'Pursuant of the Amended and Restated Loan Agreement between West Africa Investment Limited (the "Lender" /"WAIL"), Goldeneye Energy Resources Limited (the "Borrower") and Oando PLC (the "Guarantor") dated March 31, 2016, on one hand; and another Amended and Restated Loan Agreement between Goldeneye Energy Resources Limited (the "Borrower"), Southern Star Shipping Co Inc. (the "Lender"/"SS") and Oando Plc (the "Guarantor") also dated 31 March 2016; Oando PLC provided financial guarantee to the Lenders to the tune of US$32m (WAIL: US$27m, SS: US$5m). The essence of the loans was for the borrower to acquire shares owned by the Lenders in Oando Exploration and Production Holdings Limited (OEPH), a wholly owned subsidiary of Oando PLC. The Borrower agreed to repay the loans in 12 installments starting from March 2017.

The financial guarantee required Oando Plc to pay to the Lenders in its capacity as Guarantor, the loan amounts due (inclusive of accrued interest) if the Borrower is unable to pay while the Borrower is also required to transfer the relevant number of shares held in OEPH to the Guarantor or its Nominee in the event of default.

Upon failure by the Borrower to honour the repayment agreement, the Guarantor paid US$ 6.1m (which represented principal plus accrued interest) to SS on October 4, 2017. On the same date, the borrower executed a share transfer instrument for the purpose of transferring all the shares previously acquired from SS to the Calabar Power Limited, a wholly owned subsidiary of Oando PLC. Consequently, the Guarantor was discharged of the financial guarantee to SS and Oando PLC now owns 78.18% (2016: 77.74%) shares in OEPH Holdings. The Borrower and Lenders are not related parties to the Guarantor.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of Oando Plc. have been prepared in accordance with IAS 34 of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The interim consolidated financial statements are presented in Naira, rounded to the nearest thousand, and prepared under the historical cost convention, except for the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The accounting policies adopted are consistent with those of the previous financial year & corresponding interim reporting period except for the estimation of income tax and adoption of new and amended standards.

2.2 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has power or control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the entity's return. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In the separate financial statement, investment in subsidiaries is measured at cost less accumulated impairments. Investment in subsidiary is impaired when its recoverable amount is lower than its carrying value and when there are indicators of impairments.

The Group considers all facts and circumstances', including the size of the Group's voting rights relative to the size and dispersion of other vote holders in the determination of control.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Inter-company transactions, amounts, balances and income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from transactions that are recognised in assets are also eliminated. Accounting policies and amounts of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in loss of control as equity transactions. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control are classified as cash flows from financing activities.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iv) Investment in associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in the associate's net assets after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other long term receivables, loans or unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statement of profit or loss.

Profits and losses resulting from transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss.

In the separate financial statements of the Company, investment in associates are measured at cost less impairment. Investment in associate is impaired when its recoverable amount is lower than its carrying value.

(v) Joint arrangements

The group applies IFRS 11 to all joint arrangements as of 1 January 2013. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

For the arrangements determined to be joint operations, the Group recognises in relation to its interest the following:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses

Transactions with other parties in the joint operations

When the Group enters into a transaction in a joint operation, such as a sale or contribution of assets, the Group recognises gains and losses resulting from such a transaction only to the extent of its interests in the joint operation.

When such transactions provide evidence of a reduction in the net realisable value of the assets to be sold or contributed to the joint operation, or of an impairment loss of those assets, those losses are recognised fully by the Group.

When the Group enters into a transaction with a joint operation in which it is a joint operator, such as a purchase of assets, the Group does not recognise its share of the gains and losses until it resells those assets to a third party. When such transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the Group recognises its share of those losses

(vi) Functional currency and translation of foreign currencies

Functional and presentation currency
These consolidated financial statements are presented in Naira, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The Company's functional and presenation currency is Naira.

(vii) Transactions and balances in Group entities

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing on the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss except when deferred in other comprehensive income as qualifying cashflow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'other (losses)/gains – net'. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(viii) Consolidation of Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position items presented, are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss are translated at average exchange rates where it is impracticable to translate using spot rate. Where the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case the income and expense are translated at a rate on the dates of the transactions; and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(ix) Business combinations and goodwill

Business combinations 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 interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.3 Other significant accounting policies

(a) Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Leadership Council (GLC).

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the Group's activities and is stated net of value-added tax (VAT), rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

(i) Sale of goods

Revenue from sales of oil, natural gas, chemicals and all other products is recognized at the fair value of consideration received or receivable, after deducting sales taxes, excise duties and similar levies, when the significant risks and rewards of ownership have been transferred.

In Exploration & Production, transfer of risks and rewards generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. For sales to refining companies, it is either when the product is placed on-board a vessel or delivered to the counterparty, depending on the contractually agreed terms. For wholesale sales of oil products and chemicals it is either at the point of delivery or the point of receipt, depending on contractual terms.

Revenue resulting from the production of oil and natural gas properties in which Oando has an interest with other producers is recognised on the basis of Oando's working interest (entitlement method).

Sales between subsidiaries, as disclosed in the segment information.

(ii) Rendering of services

Services rendered are recognised in the period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

(a) the amount of revenue can be measured reliably;
(b) it is probable that the economic benefits associated with the transaction will flow to the entity;
(c) the stage of completion of the transaction at the reporting date can be measured reliably; and
(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(iii) Interest income

Interest income is recognized using the effective interest method. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

(iv) Dividend

Dividend income is recognised when the right to receive payment is established.

(c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Buildings and freehold land are subsequently shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings and plant & machinery. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant & equipment are credited to other comprehensive income and shown as a component of other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the statement of profit or loss. Revaluation surplus is recovered through disposal or use of property plant and equipment. In the event of a disposal, the whole of the revaluation surplus is transferred to retained earnings from other reserves. Otherwise, each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the assets original cost is transferred from "other reserves" to "retained earnings".

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Buildings	20 – 50 years	(2 – 5%)
Plant and machinery	8 – 20 years	(5 – 121/2 %)
Equipment and motor vehicles	3 – 5 years	(20 – 331/3 %)
Production wells	Unit-of-production (UOP)	

Where the cost of a part of an item of property, plant and equipment is significant when compared to the total cost, that part is depreciated separately based on the pattern which reflects how economic benefits are consumed. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised within "operating profit/(loss)" in the statement of profit or loss .

Property, plant and equipment under construction is not depreciated until they are available for use.

(d) Intangible assets

(a) Goodwill

Goodwill arises from the acquisition of subsidiaries and is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any interest previously held over the net identifiable assets acquired, liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGU's) for the purpose of impairment testing. The allocation is made to those CGU's expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Each unit or group of units to which goodwill is allocated represents the lower level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using straight line method to allocate the cost over their estimated useful lives of three to five years. The amortisation period and residual values are reviewed at each balance sheet date. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

(e) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets in which case, it is included within the recoverable amount of those group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(f) Financial instruments

Financial assets classification

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss (FVTPL) at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by directors. Derivatives are also categorised as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date. Otherwise, they are classified as non-current. The Group's derivatives are categorized as FVTPL unless they are designated as hedges and hedge accounting is applied; hedge accounting has not been applied for the Group's derivatives in the periods presented.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides goods or services and funding directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise of non-current receivables; trade and other receivables and cash and cash equivalents.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the Group intend to dispose of the investment within twelve months of the reporting date.

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date, which is the date at which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction cost are expensed in the statement of profit or loss.

Available for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of profit or loss within "operating profit/(loss)" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of other income when the Group's right to receive payment is established. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss as "gains and losses from investment securities".

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

(i) The rights to receive cash flows from the asset have expired; or
(ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(i) Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

For loans and receivables category, the amount of loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit loss that have been incurred) discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Objective subsequent decreases in impairment loss are reversed against previously recognized impairment loss in the consolidated statement of profit or loss.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less allowance for impairment. An impairment allowance of receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment (more than 90 days overdue), are the indicators that a trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss within administrative costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the consolidated statement of profit or loss.

The amount of the allowance is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If collection is expected within the normal operating cycle of the Group they are classified as current, if not they are presented as non-current assets.

(ii) Assets classified as available for sale
The Group assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in a) above. In the case of equity investment classified as available for sale, a significant or prolonged decline in the fair share of the security below its cost is also evidence that the assets are impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss) is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss. If in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

Derivative financial instruments

A derivative is a financial instrument or contract whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying'); requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and is settled at a future date.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gains or losses are recognised in profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates or other variable (provided in the case of a non-financial variable that the variable is not specific to a party to the contract).

An embedded derivative is only separated and reported at fair value with gains and losses being recognised in the profit or loss component of the statement of comprehensive income when the following requirements are met:
- where the economic characteristics and risks of the embedded derivative are not clearly and closely related to those of the host contract.
- the terms of the embedded derivative are the same as those of a stand-alone derivative; and
- the combined contract is not held for trading or designated at fair value through profit or loss.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Group has not designated any financial liability at fair value through profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except when they are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. These are added to the cost of the assets, until such a time as the assets are substantially ready for their intended use or sale.

Convertible debts

On issue, the debt and equity components of convertible bonds are separated and recorded at fair value net of issue costs. The fair value of the debt component is estimated using the prevailing market interest rate for similar non-convertible debt. This amount is classified as a liability and measured on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and is recognised in equity, net of income tax effects. The carrying amount of the equity component is not re-measured in subsequent years. On early repurchase of the convertible bond, the consideration paid is allocated to the liability and equity components at the date of transaction. The liability component at the date of transaction is determined using the prevailing market interest rate for similar non-convertible debt at the date of the transaction, with the equity component as the residual of the consideration paid and the liability component at the date of transaction. The difference between the consideration paid for the repurchase allocated to the liability component and the carrying amount of the liability at that date is recognised in profit or loss. The amount of consideration paid for the repurchase and transaction costs relating to the equity component is recognised in equity. Where the convertible notes are issued in foreign currency, it gives rise to an embedded derivative which is split from the host contract

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables are classified as current if they are due within one year or less. If not, they are presented as non-current liabilities.

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

(g) Accounting for leases

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment 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. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Group as a lessee

Finance leases, which transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss and other comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight line basis over the lease term.

Embedded leases

All take-or-pay contracts and concession contracts are reviewed at inception to determine whether they contain any embedded leases. If there are any embedded leases, they are assessed as either finance or operating leases and accounted for accordingly.

Group as a lessor

Leases where the Group does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Under a finance lease substantially all the risks and rewards incindental to legal ownership are transferred to the lessee, and a lease receivable is recognized which is equal to the net investment in the lease. The recognition of finance income shall be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

(i) Share capital

Ordinary shares are classified as equity. Share issue costs net of tax are charged to the share premium account.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(k) Employee benefits

(i) Retirement benefit obligations

Defined contribution scheme

The Group operates a defined contribution retirement benefit schemes for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to the defined contribution plan are charged to the profit or loss in the year to which they relate. The assets of the scheme are funded by contributions from both the Group and employees and are managed by pension fund custodians in line with the National Pension Commission (PenCom) Pension Reform Act (PRA).

Defined benefit scheme

The Group operated a defined benefit gratuity scheme in Nigeria, where members of staff who had spent 3 years or more in employment are entitled to benefit payments upon retirement. This defined benefit plan was curtailed in 2012 and 2013 for management and non-management staff respectively.

The liability recognized in respect of the discontinued defined benefit plan at the time of curtailment was based on the final settlement amounts communicated to each employee. The settlement amounts bore an interest rate equivalent to 90 days deposit rate from the time of curtailment up until when they were paid to an external funds manager in 2017. Prior to the obligation being funded, the interest costs accruing to the employees are recorded in the statement of profit or loss and included as part of the liability in the statement of financial position.
After the settlement was paid to the fund manager in 2017, the Group no longer has any obligation on the statement of financial position.

(ii) Employee share-based compensation

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options/ awards) of the Group. The fair value of the employee services received in exchange for the grant of the option/awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, including any market performance conditions (for example, an entity's share prices); excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and including impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to share-based payment reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.
Share-based compensation are settled in Oando PLC's shares, in the separate or individual financial statements of the subsidiary receiving the employee services, the share based payments are treated as capital contribution as the subsidiary entity has no obligation to settle the share-based payment transaction.

The entity subsequently re-measures such an equity-settled share-based payment transaction only for changes in non-market vesting conditions.

In the separate financial statements of Oando PLC, the transaction is recognised as an equity-settled share-based payment transaction and additional investments in the subsidiary.

(iii) Other share based payment transactions

Where the Group obtains goods or services in compensation for its shares or the terms of the arrangement provide either the entity or the supplier of those goods or services with a choice of whether the Group settles the transaction in cash (or other assets) or by issuing equity instruments, such transactions are accounted as share based payments in the Group's financial statements.

(iv) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss.

Provisions for environmental restoration and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value is a pre-tax rate which reflects current market assessments of the time value of money and the specific risk. The increase in the provision due to the passage of time is recognised as interest expense.

Decommissioning liabilities

A provision is recognised for the decommissioning liabilities for underground tanks described in Note 14. Based on management estimation of the future cash flows required for the decommissioning of those assets, a provision is recognised and the corresponding amount added to the cost of the asset under property, plant and equipment for assets measured using the cost model. For assets measured using the revaluation model, subsequent changes in the liability are recognised in revaluation reserves through OCI to the extent of any credit balances existing in the revaluation surplus reserve in respect of that asset. The present values are determined using a pre-tax rate which reflects current market assessments of the time value of money and the risks specific to the obligation. Subsequent depreciation charges of the asset are accounted for in accordance with the Group's depreciation policy and the accretion of discount (i.e. the increase during the period in the discounted amount of provision arising from the passage of time) included in finance costs.

Estimated site restoration and abandonment costs are based on current requirements, technology and price levels and are stated at fair value, and the associated asset retirement costs are capitalized as part of the carrying amount of the related tangible fixed assets. The obligation is reflected under provisions in the statement of financial position

(m) Current income and deferred tax

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

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. Education tax is provided at 2% of assessable profits of companies operating within Nigeria. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised in OCI or equity respectively. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Current income deferred tax is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes 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.

(n) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to significance of their nature and amount.

(o) Dividend

Dividend payable to the Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which they are declared (i.e. approved by the shareholders).

(p) Upstream activities

Exploration and evaluation assets

Exploration and evaluation ("E&E") assets represent expenditures incurred on exploration properties for which technical feasibility and commercial viability have not been determined. E&E costs are initially capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired, these costs include acquisition of rights to explore, exploration drilling, carrying costs of unproved properties, and any other activities relating to evaluation of technical feasibility and commercial viability of extracting oil and gas resources. OER will expense items that are not directly attributable to the exploration and evaluation asset pool. Costs that are incurred prior to obtaining the legal right to explore, develop or extract resources are expensed in the statement of income (loss) as incurred. Costs that are capitalized are recorded using the cost model with which they will be carried at cost less accumulated impairment. Costs that are capitalized are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

Once technical feasibility and commercial viability of extracting the oil or gas is demonstrable, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within Property Plant and Equipment ("PP&E") referred to as oil and gas development assets and oil and gas assets. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

Pre-license cost are expensed in the profit or loss in the period in which they occur .

Farm-out arrangements for E&E assets for which OER is the farmor are accounted for by recognizing only the cash payments received and do not recognize any consideration in respect of the value of the work to be performed by the farmee. The carrying value of the remaining interest is the previous cost of the full interest reduced by the amount of cash consideration received for entering the agreement. The effect will be that there is no gain recognized on the disposal unless the cash consideration received exceeds the carrying value of the entire asset held.

Oil and gas assets

When technical feasibility and commercial viability is determinable, costs attributable to those reserves are reclassified from E&E assets to a separate category within Property Plant and Equipment ("PP&E") referred to as oil and gas properties under development or oil and gas producing assets. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the statement of comprehensive loss as incurred.

Oil and gas assets are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Oil and gas assets are incorporated into Cash Generating Units "CGU's" for impairment testing.

The net carrying value of development or production assets is depleted using the unit of production method by reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually.

Proved and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

(q) Impairment

The Group assesses its assets for indicators of impairments annually. All assets are reviewed whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less costs to sell and value in use, the latter being determined as the amount of estimated risk-adjusted discounted future cash flows. For this purpose, assets are grouped into cash-generating units based on separately identifiable and largely independent cash inflows.

Estimates of future cash flows used in the evaluation for impairment of assets related to hydrocarbon production are made using risk assessments on field and reservoir performance and include expectations about proved reserves and unproved volumes, which are then risk-weighted utilising the results from projections of geological, production, recovery and economic factors.

Exploration and evaluation assets are tested for impairment by reference to group of cash-generating units (CGU). Such CGU groupings are not larger than an operating segment. A CGU comprises of a concession with the wells within the field and its related assets as this is the lowest level at which outputs are generated for which independent cash flows can be segregated. Management makes investment decisions/allocates resources and monitors performance on a field/concession basis. Impairment testing for E&E assets is carried out on a field by field basis, which is consistent with the Group's operating segments as defined by IFRS 8.

Impairments, except those related to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed.

Impairment charges and reversals are reported within depreciation, depletion and amortisation.

(r) Non-current assets (or disposal groups) held for sale.

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

(s) Production underlift and overlift

The Group receives lifting schedules for oil production generated by the Group's working interest in certain oil and gas properties. These lifting schedules identify the order and frequency with which each partner can lift. The amount of oil lifted by each partner at the balance sheet date may not be equal to its working interest in the field. Some partners will have taken more than their share (overlifted) and others will have taken less than their share (underlifted). The initial measurement of the overlift liability and underlift asset is at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase. Overlift balances are subsequently measured at fair value, while Underlift balances are carried at lower of carrying amount and current fair value.

(t) Fair value

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as available for sale financial assets, and significant liabilities. Involvement of external valuers is decided upon annually by the valuation committee after discussion with and approval by the Group's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Board analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Board verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Board, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the Board and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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.

(u) Offshore processing arrangements

An offshore processing arrangement involves the lifting of crude oil from an owner (usually government/third party) in agreed specifications and quantities for a swap for agreed yields and specifications of refined petroleum products. Under such arrangements, the owner of the crude oil may not attach monetary value to the crude oil delivered to the Group or the refined products received from the Group. Rather, the owner defines the yields and specification of refined products expected from the Group. Sometimes, the owner may request the Group to deliver specific refined products, increase quantity of certain products contrary to previously agreed quantity ratios, or make cash payments in lieu of delivery of products not required ("retained products"). It is also possible that the owner may request the Group to pre-deliver refined products against future lifting of crude oil. Parties to offshore processing arrangements are often guided by terms and conditions codified in an Agreement/Contract. Such terms may include risk and title to crude oil and refined products, free on board or cost, insurance and freight deliveries by counterparties, obligations of counterparties, costs and basis of reimbursements, etc. Depending on the terms of an offshore processing arrangement, the Group may act as a principal or an agent.

The Group acting in the capacity of a principal

The Group acts as a principal in an offshore processing arrangement and has significant risks and rewards associated with the sale of products or rendering of services when the following conditions are met:

• it has the primary responsibility for providing the products or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;
• it has inventory risk before or after the customer order, during shipping or on return;
• it has latitude in establishing prices, either directly or indirectly, for example by providing additional products or services; and
• it bears the customer's credit risk on the receivable due from the customer.

The Group shall recognise revenue from the sale of products when all the following conditions have been satisfied:

• it has transferred to the counterparty the significant risks and rewards of ownership of the products;
• it retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the products sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Group; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The gross amount of the crude oil received by the Group under an offshore processing arrangement represents consideration for the obligation to the counterparty. Risk and rewards transfer to the counter party upon delivery of refined products. At this point, the Group determines the value of crude oil received using the market price on the date of receipt and records the value as revenue. In addition, the Group records processing fees received/receivable from the counterparty as part of revenue. The Group determines the value of refined products at cost and includes the value in cost of sales in the Statement of profit or loss. All direct costs relating to an offshore processing arrangement that are not reimbursable are included in cost of sales, where applicable, in the Statement of profit or loss. Such costs may include processing, freight, demurrage, insurance, directly attributable fees and charges, etc. All expenses, which are not directly related to an offshore processing arrangement is included as part of administrative expenses.

Where the Group lifted crude oil but delivered petroleum products subsequent to the accounting period, it does not record the value of the crude oil received as part of revenue. Rather, the Group records the value of crude oil received as deferred revenue under current liabilities.

Where the Group pre-delivered products in expectation of lifting of crude oil in future, it does not record the value in the Statement of profit or loss in order to comply with the matching concept. Rather, it will deplete cash (where actual payment was done) or increase trade payables and receivables. The Group transfers the amount recognised from trade receivables to cost of sales and recognise the value of crude oil lifted as turnover, when crude oil is eventually lifted in respect of the pre-delivery.

The Group acting in the capacity of an agent

The Group acts as an agent in an offshore processing arrangement where the gross inflows of economic benefits include amounts collected on behalf of a third party. Such amounts do not result in increases in equity for the Group. Thus, the amounts collected on behalf of the counterparty are not revenue. Instead, revenue is the amount of commission earned for acting as an agent. Costs incurred by the Group are done on behalf of the counterparty and they are fully reimbursable.

(v) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The Group has elected to state investment properties at fair value in accordance with IAS 40.

3. Segment information

3.1 Primary reporting format - business segments

At 31 March, the Group has three operating segments namely:

(i) Exploration and production (E&P) – involved in the exploration for and production of oil and gas through the acquisition of rights in oil blocks on the Nigerian continental shelf and deep offshore.
(ii) Supply and Trading – involved in trading of crude refined and unrefined petroleum products.
(iii) Corporate and others

The Group disposed all its interest in Alausa Power Limited to Elektron Pertroleum Energy & Mining Nigeria Limited effective 31 March 2017.

3.2a The segment results (including discontinued operations) for the period ended 31 March 2018 are as follows:

	Exploration & Production	Supply & Trading	Alausa**	Corporate & Other	*Group*
	N'000	N'000	N'000	N'000	N'000
Total gross segment sales	41,955,758	108,478,226	-	1,549,415	151,983,399
Inter-segment sales	-	-	-	(1,436,443)	(1,436,443)
Revenue from external customers*	41,955,758	108,478,226	-	112,972	150,546,956
Operating profit/(loss)*	16,330,712	(674,947)	-	(766,905)	14,888,860
Finance cost - (net)*	(4,547,915)	(6,271)	-	(3,688,673)	(8,242,859)
Share of loss in associates	-	-	-	(139,915)	(139,915)
Profit/(loss) before income tax*	11,782,797	(681,218)	-	(4,595,493)	6,506,086
Income tax expense*	(2,314,506)	-	-	-	(2,314,506)
Profit/(loss) for the period	9,468,291	(681,218)	-	(4,595,493)	4,191,580

*See note 3.3a for reconciliation to the statement of profit or loss
**The Group disposed all its interest in Alausa Power Limited to Elektron Pertroleum Energy & Mining Nigeria Limited effective 31 March 2017.

The segment results (including discontinued operations) for the period ended 31 March 2017 are as follows:

	Exploration & Production	Supply & Trading**	Alausa**	Corporate & Other	*Group*
	N'000	N'000	N'000		N'000
Total gross segment sales	22,630,687	115,634,532	140,510	1,470,352	139,876,081
Inter-segment sales	-	-	-	(1,463,525)	(1,463,525)
Revenue from external customers*	22,630,687	115,634,532	140,510	6,827	138,412,556
Operating profit/(loss)*	10,096,127	(578,611)	(42,082)	(841,616)	8,633,818
Finance (cost)/income (net)*	(4,200,305)	(5,616)	130,233	(4,189,058)	(8,264,746)
Share of profit in associates	-	-	-	124,557	124,557
Profit/(loss) before income tax*	5,895,822	(584,227)	88,151	(4,906,117)	493,629
Income tax credit/(expense)*	1,255,117	-	-	(37,043)	1,218,074
Profit/(loss) for the period	7,150,939	(584,227)	88,151	(4,943,160)	1,711,703

**Discontinued operations - Alausa Power Limited

3.3a Reconciliation of reporting segment information for the period ended 31 March 2018 are as follows:

	Revenue	Operating profit	Finance cost (net)	Profit before income tax	Income tax expense
	N'000	N'000	N'000	N'000	N'000
As reported in the segment report	151,983,399	14,888,860	(8,242,859)	6,506,086	(2,314,506)
Elimination of inter-segment transactions on consolidation	(1,436,443)	-	-	-	-
Classfied as discontinued operations	-	-	-	-	-
As reported in the statement of profit or loss	150,546,956	14,888,860	(8,242,859)	6,506,086	(2,314,506)

Reconciliation of reporting segment information for the period ended 31 March 2017 are as follows:

2016	Revenue	Operating profit	Finance cost (net)	Profit/(loss) before income tax	Income tax credit
	N'000	N'000	N'000	N'000	N'000
As reported in the segment report	139,876,081	8,633,818	(8,264,746)	493,629	1,218,074
Elimination of inter-segment transactions on consolidation	(1,463,525)	-	-	-	-
Classfied as discontinued operations	(140,510)	(1,010,430)	(130,233)	(1,140,663)	-
As reported in the statement of profit or loss	138,272,046	7,623,388	(8,394,979)	(647,034)	1,218,074

Profit on inter-segment sales have been eliminated on consolidation.

4 Property plant and equipment

(4.1) Group

	Upstream Assets	Land and buildings	Plant and machinery	Fixtures, fittings, motor vehicle and equipment	Construction in progress	Total
At 31 December, 2017	N'000	N'000	N'000	N'000	N'000	N'000
Cost	474,663,959	869,378	19,066,506	4,807,087	-	499,406,930
Accumulated Depreciation	(144,981,328)	(7,690)	(7,240,721)	(3,711,078)	-	(155,940,817)
Net book values	329,682,631	861,688	11,825,785	1,096,009	-	343,466,113
Company						
At 31 December, 2017						
Cost	-	868,929	154,241	1,722,574	-	2,745,744
Accumulated Depreciation	-	(7,241)	(121,849)	(1,108,932)	-	(1,238,022)
Net book values	-	861,688	32,392	613,642	-	1,507,722
Net book values 31 December, 2017						
Group	329,682,631	861,688	11,825,785	1,096,009	-	343,466,113
Company	-	861,688	32,392	613,642	-	1,507,722
(4.2) Group						
At 31 March, 2018						
Cost	474,663,938	869,379	11,575,825	4,138,829	-	491,247,971
Accumulated Depreciation	(150,054,296)	(29,414)	(3,010,462)	(2,894,440)	-	(155,988,612)
Net book values	324,609,642	839,965	8,565,363	1,244,389	-	335,259,359

(4.2) Company

	Upstream Assets	Land and buildings	Plant and machinery	Fixtures, fittings, motor vehicle and equipment	Construction in progress	Total
At 31 March, 2018	N'000	N'000	N'000	N'000	N'000	N'000
Cost	-	868,929	123,641	1,708,208	-	2,700,778
Accumulated Depreciation	-	(28,964)	(105,923)	(1,104,977)	-	(1,239,864)
Net book values	-	839,965	17,718	603,231	-	1,460,914
Net book values 31 March, 2018						
Group	324,609,642	839,965	8,565,363	1,244,389	-	335,259,359
Company	-	839,965	17,718	603,231	-	1,460,914

On Feb 27, 2018, a subsidiary of Oando PLC, Churchill Finance C300-0462 Limited, sold its 2009 Bombardier model BD-100-1A10 (Challenger 300) aircraft with Registration number T7-GOB to Genmark Ventures, LLC for a consideration less cost to sell of $6.6mn. The transaction, which has been accounted for as a sale of PPE, gave rise to a loss of N412mn. The loss has been recognised in these unaudited consolidated financial statements.

5 Intangible assets

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
E&E	51,808,100	51,702,320	-	-
Goodwill	375,031,515	375,164,250	-	-
	426,839,615	426,866,570	-	-

6 Investment property

	Group 2018 N'000	Group 2017 N'000	Group 2018 N'000	Company 2017 N'000
At 1 January	1,033,000	-	1,033,000	-
Purchase	-	127,983	-	127,983
Fair value gain recognised in statement of profit or loss	-	905,017	-	905,017
At 31 December	1,033,000	1,033,000	1,033,000	1,033,000

For the purpose of completion of the audited consolidated financial statements for the year ended 31 December 2017 , the fair value of the Company's investment property was determined and valued by an independent Estate Valuer, Ubosi Eleh and Co on March 16, 2018 as N1bn. Given that there has been no significant change to the basis of valuation between the last valuation date and the interim reporting date, management has retained the same fair value as of the interim reporting date.

7 Investment in associate

Group	Umugini Asset Company Limited 2017 N'000	Glover BV* 2017 N'000	OVH Energy BV** 2017 N'000	OWDL 2017 N'000	TOTAL 2017 N'000
Carrying value:					
As at beginning of the year	-	2,344,121	5,314,596	2,994,708	10,653,425
Investment in Umugini Asset Company Limited	2,444	-	-	-	2,444
Share of profit/(loss) in associate	330,553	1,064,481	(4,716,598)	1,192,559	(2,129,005)
Share of associate's foreign currency translation reserve	-	-	3,291,936	(54,363)	3,237,573
Sale of 5% interest in Glover BV		(387,781)	-	-	(387,781)
Derecognition of the carrying value of investment in associate following the deemed disposal of 35% interest in OVH Energy BV	-	-	(3,889,934)	-	(3,889,934)
Exchange difference	53,292	-	-	-	53,292
At 31 December 2017	386,289	3,020,821	-	4,132,904	7,540,014
At 1 January 2018	386,289	3,020,821	-	4,132,904	7,540,014
Profit/(loss) for the period	-	63,314	-	(203,229)	(139,915)
Share of associate's foreign currency translation reserve	(139)	-	-	-	(139)
At 31 March 2018	386,150	3,084,135	-	3,929,675	7,399,960

Company	Oando Wings N'000	OVH Energy BV N'000	Glover BV N'000	Total N'000
At 1 January 2017	2,716,431	10,440,000	2,344,121	15,500,552
Investment transferred to Oando Netherlands Holdings 2 Cooperative U.A	-	(10,440,000)	-	(10,440,000)
Investment transferred to Oando Netherlands Holdings 3 Cooperative U.A	-	-	(2,344,121)	(2,344,121)
At 31 December 2017	2,716,431	-	-	2,716,431
At 1 January 2018	2,716,431	-	-	2,716,431
At 31 March 2018	2,716,431	-	-	2,716,431

8 Available-for-sale financial assets

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
At start of the period	61,856	115,642	59,895	113,985
Disposal	-	(71,780)	-	(71,780)
Fair value gain	-	17,690	-	17,690
Exchange difference	(1)	304	-	-
	61,855	61,856	59,895	59,895
Non current portion	-	-	-	-
Current	61,855	61,856	59,895	59,895
	61,855	61,856	59,895	59,895

9 Non-current receivables

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Underlift receivables (a)	26,186,448	26,195,899	17,027,473	17,033,619
Other non-current receivables (b, c)	37,162,193	37,758,471	9,365,366	9,365,366
	63,348,641	63,954,370	26,392,839	26,398,985
Less: Allowance for impairment of non-current receivables	(40,737,087)	(40,751,790)	(17,027,473)	(17,033,619)
	22,611,554	23,202,580	9,365,366	9,365,366

(a) Under lift receivables represent the Group's crude oil entitlements of N22.2 billion ($72.7 million) as a result of operations on OML 125. The balance is owed by the Nigerian National Petroleum Corporation (NNPC). OER is currently in dispute with the NNPC in relation to certain liftings done by the NNPC in 2008 and 2009. The Group has made full provision for the recievables due to the uncertainty associated with the timing of collectability and the related dispute. The increase in the underlift receivables of N6.1 million is as a result of exchange difference, which also impacted on the translated accumulated provisions amount.

(b) Other non-current receivables comprise of joint venture (JV) receivable of N13.2 billion and N9.4 billion outstanding loan note receivable from Glover BV as part of consideration for the sale of Oando Gas and Power in December 2016.

N14.6 billion out of the JV receivable of N27.8 billion has been impaired and included in the alllowance for impairment above.

(c) On 24 January 2017, the Group through Oando Netherlands Cooperatief 3 ("Coop 3"), issued a Transfer Interest Notification to HIP Glover S.a.r.l ("Luxco") in accordance with SHA Side Letter dated 13 September 2016. In particular, Coop 3 offered 5,000 A Shares with a nominal value of USD 0.01 each in the capital of Glover Gas & Power B.V. ("Glover BV"), comprising 5% of the total issued share capital of Glover BV and 5% of Oando's loan notes issued by Glover BV at closing in the principal amount of $7,033,811.49. Both transfers amounted to USD 8,275,072.36 (N2.6 billion). Luxco accepted the Transfer Interest Notification on 31 January 2017 and paid N3.1billion to the Company on 8 March 2017.

Consequently, the Group's interest reduced from 30% to 25% in Glover BV effective 31 January 2017. The transfers and residual interest have been accounted for in these unaudited interim consolidated and separate financial statements.

10 Inventories

	Group 2017 N'000	Group 2016 N'000	Company 2017 N'000	Company 2016 N'000
Finished products	898,001	1,647,997	-	-
Materials	934,760	935,097	-	-
	1,832,761	2,583,094	-	-

11 Trade and other receivables

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Trade receivables	78,875,575	43,567,693	-	-
Other receivables	72,382,021	66,320,014	41,144,862	41,601,804
Witholding tax receivable	3,894,019	3,884,340	2,817,245	2,817,245
Amounts due from related companies	-	-	152,702,908	151,474,243
	155,151,615	113,772,047	196,665,015	195,893,292
Less: Allowance for impairment of other receivables	(19,901,229)	(19,973,091)	(54,409,293)	(54,304,370)
	135,250,386	93,798,956	142,255,722	141,588,922

12a Cash and cash equivalents

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Cash at bank and in hand	17,144,745	7,895,061	564,935	915,653
Restricted cash	7,799,105	12,479,146	250,000	-
	24,943,850	20,374,207	814,935	915,653

Restricted cash relates to cash collateral and is excluded from cash and cash equivalents for cash flows purposes. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings under current liabilities. The period-end cash and cash equivalents comprise the following:

b	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Cash and bank balance as above	17,144,745	7,895,061	564,935	915,653
Bank overdrafts (Note 14)	-	-	-	-
	17,144,745	7,895,061	564,935	915,653

13 Trade and other payables

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Trade payables	98,193,454	59,691,474	-	-
Other payables	40,153,775	40,189,452	18,853,407	18,063,702
Statutory payables (WHT, VAT, PAYE etc)	5,920,226	5,687,037	2,995,341	2,819,371
Accrued expenses	87,733,558	82,367,982	8,920,179	6,419,681
Amounts due to related companies	-	-	91,140,618	90,086,514
	232,018,678	187,935,945	121,909,545	117,389,268

14 Borrowings

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Current				
Bank overdraft (Note 12b)	-	-	-	-
Bank loans	128,970,858	137,854,339	17,236,247	17,239,886
	128,970,858	137,854,339	17,236,247	17,239,886
Non-current				
Non-current bank loan	98,168,386	99,587,920	87,320,834	87,320,834
Total borrowings	227,139,244	237,442,259	104,557,081	104,560,720

15 Provision and other liabilities

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Oil and gas fields	54,959,226	54,880,692	-	-
Other liabilities - Deposits	217,350	217,350	217,350	217,350
Balance, end of period	55,176,576	55,098,042	217,350	217,350
Non current portion	54,959,226	54,880,692	-	-
Current	217,350	217,350	217,350	217,350
	55,176,576	55,098,042	217,350	217,350

The decommissioning provisions represent present value of decommissioning costs relating to oil & gas assets. These provisions have been created based on internal estimates, and the estimates are reviewed regularly to take account of material changes to the assumptions. A corresponding amount is included under property, plant and equipment and depreciated in accordance with the Group accounting policy.

16 Share capital & share premium

	Number of shares (thousands)	Ordinary shares N'000	Share premium N'000	Total N'000
At 1 January 2017	12,034,618	6,017,309	174,806,923	180,824,232
Conversion of OODP's convertible debt*	396,794	198,397	1,781,604	1,980,001
At 31 December 2017	12,431,412	6,215,706	176,588,527	182,804,233
At 1 January 2018	12,431,412	6,215,706	176,588,527	182,804,233
At 31 March 2018	12,431,412	6,215,706	176,588,527	182,804,233

*See note 25 for details

17 Earnings per share

	Three months ended 31 March 2018 N'000	Three months ended 31 March 2017 N'000
Profit/(loss) from continuing operations attributable to equity holders of the parent	2,228,496	(532,674)
Profit from discontinued operations attributable to equity holders of the parent	-	1,140,663
	2,228,496	607,989
Weighted average number of Ordinary shares outstanding (thousands)		
As previously reported	12,431,412	12,034,618
Conversion of OODP's convertible debt	-	396,794
	12,431,412	12,431,412
Basic earnings/(loss) per share		
From continuing operations	18	(4)
From discontinued operations	-	9
	18	5

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares. However, there were no convertible debts at 31 March 2018.

18 Discontinued operations and disposal groups held for sale

Analysis of the result of entities classified as discontinued operations and held for sale are as shown below:

(a) Subsidiaries disposed and presented as discontinued operations in/from Q1 2017

Sale of Alausa Power Limited

On 28th September 2016, the board of Oando PLC passed a resolution to dispose 100% of the issued shares of Alausa Power Ltd. The sale, which was concluded on 31 March 2017, was made to Elektron Petroleum Energy & Mining Nigeria Limited (the buyer) following a no objection consent obtained from SEC on the same date. Consequently, the Group lost control and derecognized assets & liabilities of the entity.

A gain on disposal of N1.1 billion (Group) and N1.9 billion (Company), was recognised as at 31 March 2017. Following the completion accounts agreed between the buyer and the seller after date of sale, a final gain on disposal of N132 million (Group) and N939 million (Company) was recognized in the 2017 annual audited consolidated and separate financial statements.

	Alausa Power Limited N'000	Total N'000
Consideration (less cost to sell)	1,861,589	1,861,589
Net asset	(809,078)	(809,078)
Gain on disposal*	1,052,512	1,052,512

*The gain on disposal of Alausa has been presented as part of profit from discontinued operations in the consolidated statement of profit or loss.

Sale of OML 125 & 134

In December 2015, the Group signed a Sale and Purchase Agreement (SPA), with Nigerian Agip Exploration Limited (NAE) for the sale of its non-operated interests in OMLs 125 and 134. As a result of this, the associated assets and liabilities were classified as held for sale as at December 31, 2015. Although the Group (through OER) was able to secure lenders consent in 2016, the minister's consent was obtained in 2017 and the sale became effective 30 June 2017. Consequently the Group lost control and derecognized assets & liabilities of the entity in these financial statements. As part of the arrangement with NAE, the Group retains its rights to the N22.2billion ($72.7million) underlift receivable from NNPC (See Note 9a). Consequently, the underlift amount is excluded from the disposal group.

The gain recognised on the disposal was accounted for in the 2017 annual audited consolidated and separate financial statements but is not part of these comparative numbers as OML 125 & 134 was still classified as held for sale as at 31 March 2017.

(b) Effect of disposal on the financial position of the Group

	Group 2018 N'000	Group 2017 N'000
Assets:		
Property, plant and equipment	-	966
Inventories	-	30,497
Trade and other receivables	-	614,922
Finance lease receivables	-	4,157,580
Prepayment	-	48,249
Cash and cash equivalents disposed of	-	28,847
Liabilities:		
Total borrowing	-	(1,553,928)
Government grant	-	(449,434)
Trade and other payables	-	(2,068,620)
	-	809,078
Profit on disposal	-	1,052,512
Effect of disposal and liquidation on the financial position of the Group	-	1,861,589
Satisfied by:		
Net intercompany payable net off	-	14,037
Deferred consideration	-	1,847,553
	-	1,861,589

(c) Analysis of the result of assets and liabilities from the subsidiary classified as held for sale after re-measurement of assets from the disposal group is as follows:

Assets of disposal group classified as held for sale as at 31 March 2017	Group 2018 N'000	Group 2017 N'000
Property, plant and equipment	-	42,119,219
Intangible assets	-	1,147,900
Deferred tax assets	-	106,880
Inventory	-	156,702
Trade and other receivables	-	587,352
Total assets	-	44,118,053
Liabilities of disposal group classified as held for sale as at 31 March 2017		
Trade and other payables	-	30,430,326
Current income tax liabilities	-	66,569
Provision for other liabilities & charges	-	12,165,570
Deferred tax liabilities	-	7,307,067
Total liabilities	-	49,969,532

(d) Results of discontinued operations

	Three months ended 31 March 2018 N'000	Three months ended 31 March 2017 N'000
Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:		
Revenue	-	140,510
Expenses	-	(52,359)
Profit before tax of discontinued operations	-	88,151
Income tax expense	-	-
Profit after tax of discontinued operations	-	88,151
Gain on sale of discontinued operations	-	1,052,512
Profit for the period from discontinued operations	-	1,140,663

19 Net cash flows from operating activities before changes in working capital

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Reconciliation of profit/(loss) before income tax to cash generated from operations:				
Profit/(loss) before income tax - continuing operations	6,506,086	(647,034)	(3,939,169)	(5,501,168)
Profit before income tax - discontinued operations	-	1,140,663	-	-
Adjustments for:				
Interest income	(2,399,351)	(2,269,846)	(285,360)	(436,431)
Interest expenses	8,475,710	10,664,825	3,937,561	4,611,771
Interest income - Discontinued operations	-	(153,630)	-	-
Interest expenses - Discontinued operations	-	23,397	-	-
Depreciation	5,516,011	4,524,551	65,915	38,939
Amortisation of intangible assets	-	55,853	-	6,591
Impairment allowance on current receivables	275,886	269,128	105,230	89,313
Share of loss/(profit) of associates	139,915	(124,557)	-	-
Loss/(profit) on sale of property, plant and equipment	422,759	(3,129)	14,478	(556)
Unwinding of discount on provisions	2,166,501	2,100,273	-	-
Profit on sale of subsidiary	-	(1,052,512)	-	-
Profit on sale of investment	-	-	-	(1,859,089)
Write off of intangible asset and property, plant and equipment	-	-	-	(3,330)
Net foreign exchange loss/(gain)	659,258	(1,597,297)	(3,480)	-
Fair value loss on commodity options	9,151	91,934	-	-
Fair value gain on convertible options	-	(180,929)	-	(180,929)
Fair value gain on available for sale asset	-	(3,430)	-	(3,430)
	21,771,926	12,838,260	(104,825)	(3,238,319)

20 Net (decrease)/increase in working capital

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Receivables and prepayments - current	(41,068,254)	(63,147,175)	(545,028)	(374,720)
Non current receivables and prepayments	(2,520,424)	1,555,383	-	2,583,383
Inventories	749,403	10,417,097	-	-
Payables and accrued expenses	39,689,068	50,060,690	4,456,155	(2,573,881)
Gratuity provisions	-	(38,839)	-	(100,890)
	(3,150,207)	(1,152,844)	3,911,127	(466,108)

21 Accounting policy changes

The unaudited consolidated and separate financial statements have been prepared in accordance with the accounting policies set out in the most recent annual financial statements. There have not been any significant changes to the accounting policies of the Group during the year under review.

22 Seasonality or cyclicality of operations

The group operate on a 12 month calendar cycle commencing January 1 of every year till December 31st of same year. Seasonal fluctuations in revenue and other transactions are recorded whenever such arises.

23 Unusual items

No unusual transactions were recorded during the period under review.

24 Estimates and changes

The group accounted for depreciation, depletion and amortization ("DD&A") and decommissioning provision using the latest reserves valuation.

On 31 December 2016, the group accounted for the sale of certain downstream companies using best estimates. The completion accounts for the sale of the downstream companies, which form the basis of final accounting, was fully agreed by the buyer and seller post-September 2017. The Settlement Agreeement was approved by the Board of Directors on 8th December 2017. Consequently, the agreed completion amount of US$112 million in favour of the buyer has been reflected in the 2017 audited annual results. In addition, OVH Energy BV is accounted for as an investment in line with the terms of the settlement agreement with effect from 8th December 2017.

Investment in Glover BV was gained in 2016. The values of the assets and liabilities used in determining the net asset are provisional amount applicable under measurement period in line with IFRS 3. As of 31 December 2017 and date of this report, the fair value of Glover BV has not been finalised. Since measurement period ended on 31 December 2017, subsequent changes in the provisional amount will be treated as a change in accounting estimate and will be recognised in the period of the change.

Other than these, no significant changes occurred in procedures and methods used in carrying out accounting estimate.

25 Issuance, repurchases, and repayment of debts and equity securities

Ocean and Oil Development Partners ("OODP") notified the Company of its intention to convert a total of N1.98billion in exchange for 396,793,587 fully paid Ordinary Shares of the Company's common equity. The Company filed the conversion notice with the Securities and Exchange Commission ("SEC") in 2016 and received SEC's approval on January 23, 2017. The shares have been alloted to OODP and recognised under equity in these unaudited interim consolidated and separate financial statements.

Debt issuance and repayments occurred in the ordinary course of business.

26 Dividends

No dividends were paid by the Company to its shareholders during the period under review.

27 Significant events after the end of the interim period.

On April 18, 2018, OER paid $39.0 million to the Federal Inland Revenue Service "FIRS" representing agreed settlement amount and amicable resolution of the tax assessments totaling $79.7 million received on Oando Oil Limited in 2017 relating to additional Petroleum Profit and Education Taxes for 2006, 2007 and 2009. The payment made by OER was received from its previous owner, ConocoPhilips Company and Phillips Investment Company LLC as it was covered under the indemnity provided in the share purchase agreement of December 20, 2012 between OER and the previous owner. Since the matters have now been settled, OER intends to withdraw the tax appeals filed on the assessments.

No other significant events occurred between the quarter-end and date of approval of these unaudited consolidated and separate financial statements by the Board of Directors.

28 Business combinations

The Company did not acquire new interests in any new subsidiaries during the period under review.

29 Long term investments

The Company did not make any long term investments during the interim review period.

30 Restructuring and reversals of restructuring provisions

No restructuring provisions or reversals of such provisions occurred during the period under review.

31 Write-down of inventory to net realizable value

The Company applied the recognition and measurement requirements on inventory as was applied in the most recent annual financials statements.

32 Impairment loss of property, plant, equipment, intangible or other assets, and reversal of such impairment loss

There was no loss from the impairment of property, plant and equipment, intangible assets or other assets and the reversal of such an impairment loss, except as disclosed in these unaudited consolidated and separate financial statements.

33 Litigation settlements

No significant litigation settlement occurred during the period under review.

34 Related party transactions

Significant related party transactions were in respect of intragroup receivables and payables between related parties. Amounts in these regards have been eliminated on consolidation. In addition, conversion of debt to equity and shares alloted as settlement; and transfer of 5% interest in Glover BV by Coop 3 have been fully disclosed in note 25 and 9 respectively.