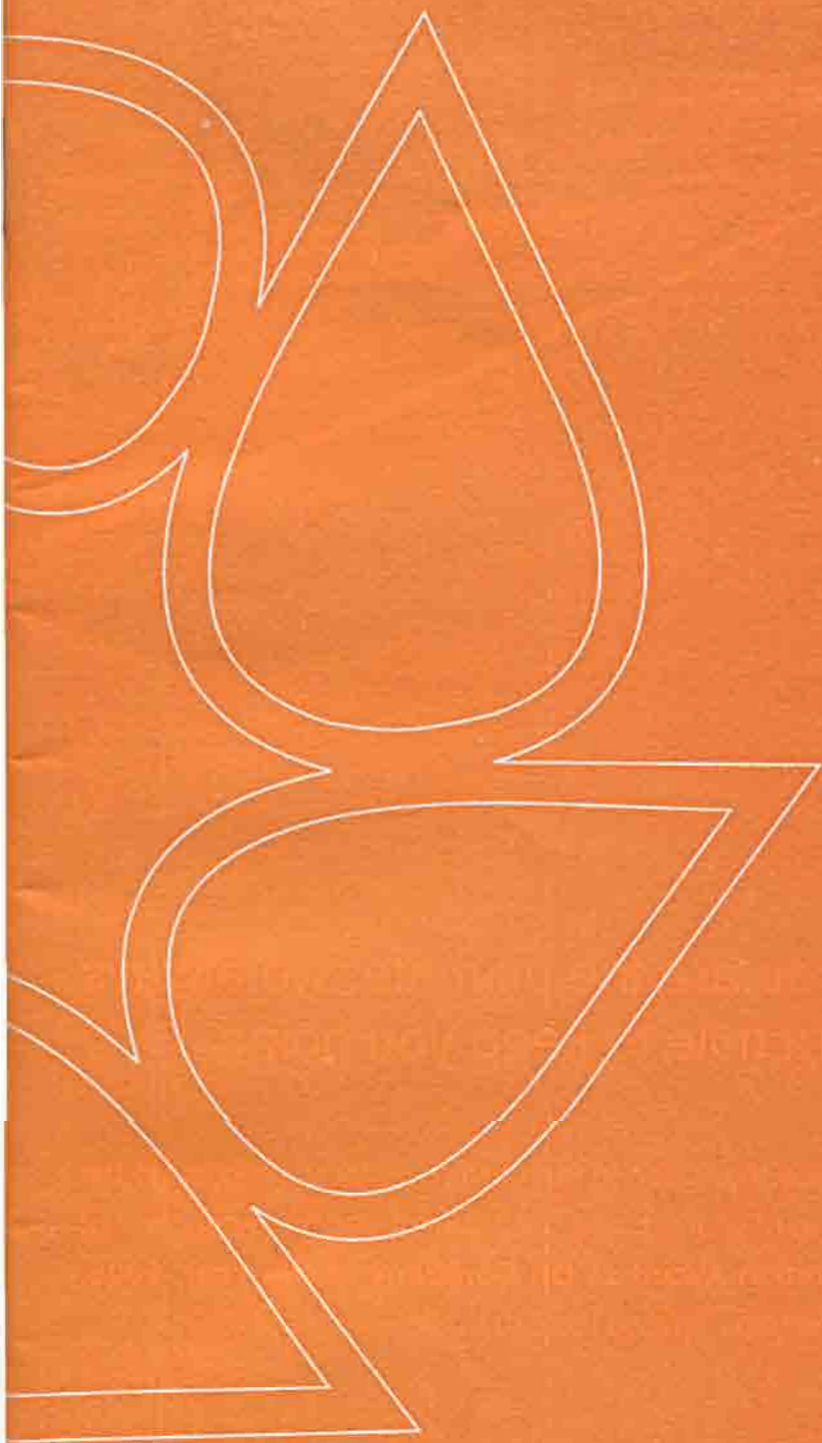


Annual Report & Accounts  
2005



We go the extra mile. **Conoil** 



Conoil

supermarkets  
Safeway  
Safeway  
Safeway  
Safeway

Because you are the ultimate, we always go the extra mile to keep you going.

We would like to say thank you to our customers for making us go the extra mile. Because of your support, we have earned the most coveted **Excellent Recognition Award as Oil Company of the Year, 2005**. Our promise still remains "We go the extra mile."

Excellence  
RECOGNITION  
Awards  
OIL COMPANY OF THE YEAR 2005  
CONOIL PLC



We go the extra mile. **Conoil**



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## Our Vision

To be **Africa's** leading petroleum products marketing company with the largest retail network, offering world-class products and services.



## Our Mission

To remain the flagship of the downstream sector, providing high quality products and services, with total commitment to **excellence** and internationally acceptable environmental practices.

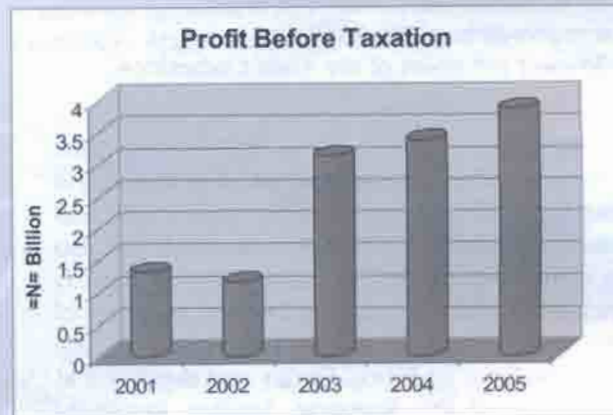


- 1. Shareholders' Fund
- 2. Profit Before Taxation

- 3. Earnings Per Share
- 4. Turnover

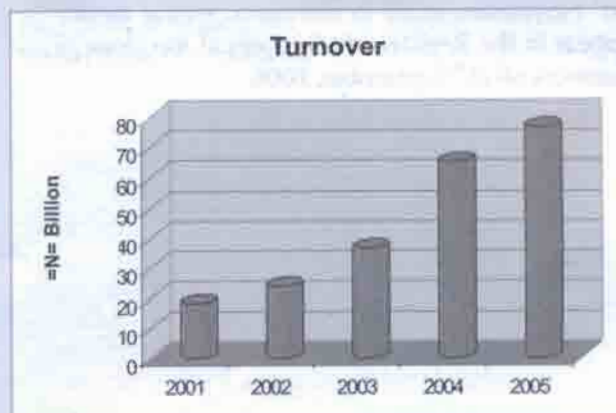
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# Notice of Annual General Meeting



NOTICE IS HEREBY GIVEN THAT THE THIRTY-SIXTH Annual General Meeting of the members of Conoil Plc will be held at the Banquet Hall, PREMIER HOTEL, IBADAN on Friday 27<sup>th</sup> October, 2006 at 11.00am for the transaction of the following business:

- To receive the Report of the Directors, and the Balance Sheet as at 31<sup>st</sup> December 2005 together with the Profit and Loss Account for the year ended on that day and the Reports of the Auditors and the Audit Committee thereon.
- To declare a dividend
- To elect and re-elect Directors
- To fix the remuneration of the Directors
- To authorize the directors to fix the remuneration of the Auditors
- To elect members of the Audit Committee.

## Proxy

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him or her. A proxy needs not also be a member of the Company. A proxy form is enclosed and if it is to be valid for the purposes of the meeting, it must be stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrar, Sterling Registrars Limited, Sterling Towers, 20 Marina, Lagos not less than 48 hours before the time fixed for the meeting.

## Dividend Warrants

If the dividend recommended by the Directors is approved at the Annual General Meeting, the Dividend warrants will be posted on the 20<sup>th</sup> November, 2006 to members, whose names appear in the Register of Members at the close of business on 26<sup>th</sup> September, 2006.

## Closure of Register

The Register of Members and the Transfer Books of the Company will be closed from 29<sup>th</sup> September, 2006 to 6<sup>th</sup> October, 2006, both days inclusive, to enable the preparation and payment of dividends.

## Shareholders' Audit Committee

In accordance with Section 359(5) of the Companies and Allied Matters Act CAP C20 LFN 2004, any member may nominate a shareholder as a member of the Audit Committee by giving in writing, notice of such nomination at least 21 days before the date of the Annual General Meeting.

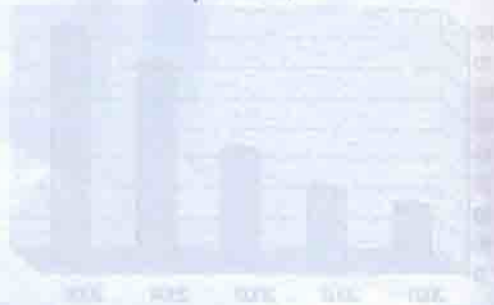
## Unclaimed Dividend Warrants and Share Certificates

Several Dividend Warrants and Share Certificates remain unclaimed or are yet to be presented for payment or returned to the Company for re-validation. A list of such members will be circulated with the Annual Report for the year ended 31<sup>st</sup> December, 2005. Those who are affected are advised to write to the Company Registrar.

BY ORDER OF THE BOARD

Evi Obieroma

Ag. Company Secretary/Legal Adviser  
Bull Plaza,  
38/39 Marina,  
Lagos



# Directors & Professional Advisers

## DIRECTORS

Dr. Mike Adenuga (Jr.) CON  
Engr. O. A. Tychus  
Mr. J. O. Ariyo  
Mr. M. S. Raghuram - Indian  
Mr. Deepak Barot - Indian  
Dr. O. G. Banigo  
Dr. M. E. Omatsola  
Mr. S. K. Jain - Indian  
Chief Kola Adegbola  
Mr. F. J. Martin - Indian  
Prince Tunde Akinyera  
Mr. Jide Micheal-Adenuga

## Chairman

Chief Executive

Executive - Appointed 25th November 2005

Executive - Appointed 25th November 2005

Executive - Appointed 25th November 2005

## SECRETARY AND REGISTERED OFFICE

Evi Obieroma  
Bull Plaza  
38/39 Marina, Lagos

## REGISTRARS AND TRANSFER OFFICE

Sterling Registrars Limited  
Sterling Towers  
20, Marina Lagos

## AUDITORS

Akintola Williams Deloitte

## BANKERS

Equitorial Trust Bank Limited  
First Bank of Nigeria Plc  
Union Bank of Nigeria Plc



**Dr. Mike Adenuga (Jr.), CON  
Chairman**

*" We will continue to ensure sustained performance through robust strategies, operating excellence and a safety record that is among the best in the industry. "*

## **Distinguished Shareholders,**

I am delighted to welcome you to our 36th Annual General Meeting and to inform you that during the year ended December 2005, your company sustained satisfactory progress and achieved a key objective of strengthening and stabilising our aggregate market share in the industry. In a short while, I will render details of the annual report and accounts for your consideration, but permit me to quickly draw your attention to some factors that influenced business operations during the year.

### **DOWNSTREAM OIL SECTOR**

The tough challenges that marked the operating environment of the oil and gas industry in the previous year persisted in 2005. The high cost of doing business in our economy remained a serious constraint in achieving set targets and projections.

One major event that had far-reaching effects on businesses generally was the bank recapitalisation policy. As banks were under intense pressure to boost their capital base to the tune of N25 billion, there was an inevitable cash squeeze, which had telling impact on both import activities and domestic operations. This, in conjunction with other factors including inflation, weakened consumers' purchasing power.

The persistent failure of infrastructure and the seemingly intractable energy crisis were major barriers to efforts geared towards keeping costs at the barest minimum. Also worthy of mention is the social unrest in the Niger Delta, with all the negative consequences for business and economic activities. The good news today, however, is that the Federal Government has demonstrated bold commitment to reversing the odds and ensuring an enabling business environment that is conducive to sustainable growth in all sectors.

### **OUR PERFORMANCE**

Despite the testing conditions outlined above, your company achieved significant growth in all key financial indicators. We made appreciable progress

as we consolidated our strengths across most of our major markets and in the different segments of our business, while our growth momentum improved substantially ahead of what we attained in 2004.

Turnover grew by 26 percent to reach N75,535,137,000 as against N60,032,150,000 posted in 2004. Gross Profit shot up to N10,806,375,000 an increase of N625,097,000 over previous year's Gross Profit of N10,181,278,000.

We recorded a growth of 14 percent in Profit Before Tax over N3,374,423,000 posted in 2004 to post N3,860,658,000 in 2005. Your company also succeeded in returning a higher Profit After Tax of N2,624,230,000 which amounts to 19 percent increase over N2,213,149,000 posted in 2004.

These results are a demonstration of the commitment and hard work of our people, the strength of our brands and the resilience of our business. They are also a result of efficient operational processes designed to improve transparency and flexibility, so as to offer value to the customer and guarantee tangible benefits for shareholders.

In response to the daunting challenges in the business environment in 2005, we refocused on internal efficiencies and cost improvement drive, with sustained investment in modern technology and manpower training and development.

Gradually, we are beginning to benefit from the significant investment we made in the previous years in world-class infrastructure, such as our mega stations, our stations' first-in-Nigeria non-space dispensing pumps and our state-of-the-art aviation fuelling equipment.

Each of our main businesses tenaciously pursued our corporate goal of growing the value of your investment by focusing on areas of market and supply strength. The strategy was to grow profitability in our core areas and build new legacy positions, with a view to improve future returns. During the year, we continued to earn the trust of

*"Our focus for the future will be to further consolidate our competitiveness in the industry. This we will do by maximising our full potential with a view to growing the business at a much faster pace."*

our numerous customers as a result of the consistent high quality of our products and services, which are appreciated as giving real value for money. It is heartwarming to note that our powerful, award-winning lubricant brands (Quatro and Golden Super) continue to make appreciable mark in the market, with over 60 percent growth in 2005.

Permit me to digress at this juncture to congratulate you all on your company's emergence as the 'Oil Company of the Year 2005', in recognition of its pioneering innovations which have raised standards in the industry. In that same year, our world-class engine oil, Quatro, was declared 'Lubricant of the Year' on account of its internationally certified top quality.

These awards are particularly gratifying because they show that we are doing things right and moving in the right direction. They are the rewards of having the right strategies and being focused on the right things.

#### **DIVIDEND**

The Board proposes for your approval the sum of N1,734,880,000 as dividend payable to all shareholders. This translates to a dividend of 250kobo for every 50 kobo share held. The dividend amount proposed here represents a 25 percent increase over what you approved for payment in the previous year.

We restate our dogged commitment to consistent long-term real dividend growth. As always, we will remain focused on pursuing our strategic direction, growing value for our shareholders through robust profitability and our competitive edge.



*"Our goal is to be in the fore front of LPG marketing with double-digit growth, by capitalising on our well-established distribution strength."*

## HUMAN CAPITAL

The success story we tell today would not be possible without the commitment and the hard work of all our employees. Your company parades some of the best hands in the industry. They drive our vision of adding value to the lives of our customers across the country. They are at the centre of everything we do. What we have accomplished over the years is a testament to the quality of our human capital. On behalf of my colleagues on the Board, I thank them most sincerely for this excellent performance.

In a diversified market place like ours, creativity becomes a key factor for success. We are lucky to have a rare assemblage of highly innovative personnel that mirrors the diversity of our business environment. They help a great deal to ensure that we understand our customers' needs.

As we look forward to our employees' unrelenting dedication to our corporate goals, we will continue to give priority to their professional fulfillment, their work-life balance and their ability to contribute equally as part of a diverse workforce. We will remain committed to our corporate tradition of giving continuing development to all employees, regardless of gender, nationality, race, creed or disability.

We will always be guided by the conviction that our continued success is largely dependent on respect for individual contributions, as well as the willingness to work together in a constructive, positive way. This will remain our cardinal

principle as we aim to be the employer of choice in the downstream industry.

## SOCIAL RESPONSIBILITY

Maintaining a balance between our business goals and social responsibilities has become our longstanding tradition as a corporate citizen. It is our strong belief that enhancing the quality of the society in which we operate would help our company sustain its long-term growth.

Therefore, as we expanded our operations across the country in 2005, we supported developmental initiatives that impacted positively on the communities and the people. We were guided by our objective of remaining a good corporate citizen, a responsible and contributing member of the society.

Your company also maintained its record as a leading promoter of sustainable environment throughout the period. You will agree with me that the long-term success of our business is closely tied not only to the well-being of the community in which we operate, but also to the vitality of the environment. In the light of this, our company will continue to manage and grow its business in a responsible and sustainable manner. We believe that will serve the best interest of both the business and our stakeholders in general.

## OUR FUTURE

Ladies and gentlemen, when I consider the solid base we have built over the years, our strength and opportunities in the industry as well as our strategic rolling plans for the future, I feel doubly confident that your company's long-term success is guaranteed.

Our focus for the future will be to further consolidate our competitiveness in the industry. This we will do by maximising our full potential with a view to growing the business at a much faster pace. With renewed commitment, we will explore developing and emerging markets, even as we continue to build on our strengths in areas where we perform well, with good growth and profitability. Conscious efforts will be directed at achieving better execution, especially in the areas of marketing and customer management. Greater

*" Our company emerged the Oil Company of the Year 2005 in recognition of its pioneering innovations which have raised standards in the industry. In that same year, our world-class engine oil, Quatro, was declared Lubricant of the Year."*

record that is among the best in the industry. We will consistently pursue initiatives that will enable our brands, processes and people to drive our corporate vision of becoming the leading petroleum products marketer in Africa and one of the most profitable quoted companies.

With our commitment to technology and innovation, combined with the dedication and skill of our employees, I believe we have a strong foundation to build for the future and to deliver the leading performance and competitive returns that you all desire.

Thank you.

Dr. Mike Adenuga (Jr.) CON  
Chairman

attention will be devoted to cutting operational costs in the different segments of the business, while still maintaining and improving on the quality of our products and services.

As you are aware, we have returned fully to the Liquefied Petroleum Gas (LPG) business, with the successful completion of the state-of-the-art gas plant in Lagos. I am pleased to announce that the plant will roll out the first batch of our brand of cooking gas, known as Congas, into the market before the end of our next financial year. I am positive that in no distant future, the fruits of our investment in that sector will be enjoyed by all of us.

Our goal is to be in the forefront of LPG marketing with double-digit growth, by capitalising on our well-established distribution strength, which gives us a competitive advantage. As is our tradition, we intend to bring delightful innovations into gas business and give greater value to our consumers, customers and shareholders.

**CONCLUSION**

I want to thank you most sincerely for your valuable support and understanding over the years. In reciprocation, the Board and Management will continue to ensure sustained performance through robust strategies, operating excellence and a safety



Engr. O. A. Tychus  
Managing Director

The Directors hereby submit to the members, their Annual Report together with the audited financial statements for the year ended 31 December 2005.

## 1. LEGAL STATUS

Conoil Plc (formerly National Oil and Chemical Marketing Plc) was incorporated in 1960 as a private limited liability company. The company was converted to a public company in 1989. In the year 2000, the Federal Government of Nigeria through the Bureau of Public Enterprises (BPE) bought 40% issued ordinary shares of the company held by Shell Company of Nigeria (UK) Limited. Following the privatization of the company, Conpetro Limited acquired 60% of the issued shares of the company. As a result of a rights issue made by the company in 2002, Conpetro Limited now holds 74.4% of the issued capital while the Nigerian public holds the remaining 25.6%.

## 2. PRINCIPAL ACTIVITIES

The principal activities of the company are the marketing of refined petroleum products, manufacturing and marketing of lubricants, household and industrial chemicals.

## 3. RESULTS

The profit after taxation for the year ended 31 December 2005 amounted to N2,624,230,000

## 4. DIVIDENDS

The Directors recommend the payment of a dividend of 250 kobo per share on the results for year 2005.

# Report of the Directors

31 December 2005



## 5. DIRECTORS

- (i) The names of the present Directors and those that served during the year are listed on page 7.
- (ii) The interest of Directors, direct and indirect, in the shares of the company as recorded in the Register of Directors' shareholdings and/or as notified by them for purposes of sections 275 and 276 of the Companies and Allied Matters Act, CAP C20 LFN 2004 is as follows:

	NUMBER OF SHARES	
	2005	2004
Engr. O. A. Tychus	85,490	85,490
Dr. M. E. Omatsola	34,926	34,926
Dr. O. G. Banigo	38,462	38,462
Mr. J.O. Ariyo	25,365	-
Chief Kola Adegbola	9,736	9,736
Prince Tunde Akinyera	1,197,600	1,197,600

## 6. CONTRACTS

For the purposes of Section 277 of the Companies and Allied Matters Act CAP C20 LFN 2004, none of the directors has notified the Company of any disclosable interests in contracts involving the Company during the year.

## 7. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the Company's financial statements which give a true and fair view of the affairs, and of the profit/loss for the year and comply with Companies and Allied Matters Act CAP C20 LFN 2004.

## 8. CHANGES ON THE BOARD OF DIRECTORS

In accordance with the Company's Articles of Association, the following changes occurred on the Board:

- Mr. Sharad Sharma (Indian) resigned as Director on 4<sup>th</sup> November 2005.
- Mr. J.O. Ariyo was appointed to the Board as a Director on 25<sup>th</sup> November 2005. He occupies the position of Executive Director, Finance and Administration.
- Mr. M.S. Raghuram (Indian) was appointed to the Board as a Director on 25<sup>th</sup> November 2005. He occupies the position of Executive Director, Retail.

## 9. SHAREHOLDINGS

As at 31<sup>st</sup> December 2005, the range of shareholdings of the Company was as follows:

Range of shares	Number of Shareholders	Total number of shares held	% of issued share capital
1 - 1,000	154,798	68,685,299	9.90
1,001 - 5,000	13,297	27,082,418	3.90
5,001 - 10,000	1,087	8,858,589	1.28
10,001 - 50,000	656	17,037,812	2.46
50,001 - 100,000	70	7,051,102	1.02
100,001 - 500,000	61	14,784,598	2.13
500,001 - 1,000,000	11	11,075,553	1.60
1,000,001 and above	<u>8</u>	<u>539,376,746</u>	<u>77.73</u>
	<b>169,988</b>	<b>693,952,117</b>	<b>100.00</b>

The shares of the Company were held as follows:

	2005		2004	
	Number of Shares	%	Number of Shares	%
Conpetro Limited	516,297,780	74.40	516,297,780	74.40
Nigerian Public	177,654,337	25.60	177,654,337	25.60

According to the register of members, no shareholder of the Company other than Conpetro Limited as noted above held more than 5% or 10% of the called-up and issued shares of the Company as at 31 December, 2005.

## 10. FIXED ASSETS

Changes in the value of fixed assets were due to additions, and disposals as shown on page 27. In the opinion of the Directors, the market value of the Company's properties is not lower than the value shown in the financial statements.

## 11. SUPPLIES

The major supplier of the Company's products is Nigerian National Petroleum Corporation.

## 12. DISTRIBUTION NETWORK

The distribution of the Company's products is done through its own network of branches, numerous dealers and distributors who are spread around the country. The Company has 331 dealers and distributors.

Some of the Company's major dealers and distributors are as follows:

Chief E. A. Ainabe	Alhaja Bola Alanamu
Mr. G. T. Adebayo	Mrs. O. B. Iloabachie
Alhaji Isa Atta	Mrs. H. I. Ayanwole
Mrs. C. O. Okonedo	Alhaji A. Yandoma
Capt. A. Adeyinka	Alhaji D. M. Shehu
Mrs. O. Aboyade-Cole	Mr. G. K. Sadiq
Mr. M. O. Labinjo	Mrs. Lami Ahmed
Mrs. E. I. Nnubia	Mrs. Osipitan Rose
Mr. Akin Olarenwaju	Mr. Bashiru Fakorede
Mr. Adewale Adeleye	Mr. P. I. Iyagba
Alhaji Siddiku Buba Jauro	Mr. Lanre Abdul

## 13. POST BALANCE SHEET EVENTS

There were no post balance sheet events, which could have had a material effect on the state of affairs of the Company as at 31<sup>st</sup> December 2005 and on the profit for the period to that date which have not been adequately provided for.

## 14. EMPLOYMENT AND EMPLOYEES

### (i) Employment of disabled persons

The Company's employment policies ensure that there is no discrimination in considering application for employment including those of disabled persons. As at 31<sup>st</sup> December 2005, no disabled person was in the employment of the Company.

### (ii) Employees involvement

During the year, the Company maintained good relationship with its employees. To enhance communication between management and staff, management briefings were extended to all levels of staff during the year. These efforts were supplemented by regular consultative departmental/divisional meetings and in-house bulletins to keep employees informed on the state of the Company's operations. The Company has also established a functional joint-staff consultative committee where decisions affecting employees are discussed and agreed with the representatives of the staff.

### (iii) Employees development

The development and training of the Company's staff continue to receive constant attention. It is the belief of the Company that the professional and technical expertise of its staff constitutes a major asset.

### (iv) Welfare

The Company operates subsidized canteen facilities in all its major operational centers. Recreational and sporting facilities are provided at the Bull Club, Lagos. Employees are paid specified amounts annually as grants to assist in the financing of their children's education.

### (v) Health

The Company maintains well-equipped medical clinics at its head office and other major operational/manufacturing locations. This is

complemented by free medical services during and after working hours by medical retainers in locations across the country. Family clinics existed during the period for staff dependants.

#### (vi) Safety and Environment

To enhance the health and safety of all employees, safety regulations are conspicuously displayed and enforced in all the Company's offices and installations.

The Company carries out safety and operations inspections on a regular basis. It also provides safety equipment in all its installations and retail outlets. In addition, safety training is provided for staff. Fire fighting drills are regularly carried out to keep workers at alert in the event of a fire outbreak. The Company lays emphasis on industrial hygiene, and inspection, and provides good sanitary facilities for its employees while it ensures non-pollution of the environment within its areas of operation.

### 15. COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

In the conduct of its business, the Company ensures the observance of the highest standard of corporate governance. It complies particularly with the provisions of Code of Best Practices on Corporate Governance in Nigeria issued in 2003 by the Securities and Exchange Commission and the Corporate Affairs Commission. The Company adopts a responsible approach in its activities by maintaining a high standard of openness and accountability while also taking into consideration the interest of stakeholders.

#### Compliance with Code of Corporate Governance

During the year under review, the Company duly observed all regulations guiding its activities. The company also has in place structures/mechanisms to enhance its internal control while the effectiveness of measures for enhancing operational and compliance control is constantly reviewed.

#### The Board

The Board with a non executive director as the Chairman comprises both non-executive and executive directors. It provides the required leadership for the Company in the midst of structures for prudent and effective risk management while also ensuring that resources are available to enable the company achieve its aims. The Board also reviews management performance.

#### Board Committees

In observance of the Code of Best Practices in Corporate Governance, the Board has in place the following committees:

**a. The Executive Board** led by the Managing Director and comprising of the Executive Directors sets the company's priorities and targets, allocates resources and ensures the effective running of the company. The executive Board ensures that the company's resources are fully utilized to meet the company's goals.

**b. Audit Committee:** In compliance with Section 359 (3) of the Companies and Allied Matters Act, CAP C20 LFN 2004 and Section 11, Part B of the Code of Best Practices on Corporate governance in Nigeria 2003, the Company has in place an Audit Committee consisting of six members, three of whom are representatives of shareholders, one non-executive Director and two executive Directors with the Company Secretary/Legal Adviser as the Secretary. The Committee has its Chairman who is a member representing the shareholders and holds meetings during the year.

The Committee carries out an oversight of the Company's financial controls, the internal audit functions as well as assessing the external audit process including relating with the External Auditors. These are in addition to the review of the risk management systems. In the performance of its functions, the Committee has unrestricted, direct access not just to the internal audit department but also to the external auditors. Any member may nominate a shareholder as member of the Audit

Committee, by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

**Internal Financial Controls:** The Company has in place procedures and structures for an effective control environment that promotes an orderly and efficient conduct of the Company's business. These include the safeguarding of the Company's assets and the maintenance of proper accounting records and financial information among others. The Audit Committee also plays a vital role in ensuring a sound system of internal control.

**Conoil Plc and its shareholders:** In its interaction with its shareholders, the Company lays emphasis on effective communication. Through its reports and the Annual General meetings, the Board renders stewardship to the Company's shareholders. Outside these, the Board has in place other avenues for interaction with shareholders such as other less informal meetings and contacts. The inclusion of the representatives of the shareholders in the Audit Committee ensures that the shareholders are kept abreast of developments in the Company.

**Conoil Plc and the Law:** The Company ensures compliance with the laws and regulations guiding its operations in Nigeria.

**Interaction with the society:** The Company in its activities pays due attention to ethical values, complies with legal requirements and takes into consideration the various stakeholders comprising of not just its members but also the general populace and communities where it carries on business. The Company ensures maximum care for the environment where it operates by maintaining the highest environmental standards. Being an

employer, supplier and consumer, the Company contributes to the economic growth of the country.

## 16. AUDITORS

Akintola Williams Deloitte has in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP C20 LFN 2004 indicated their willingness to continue in office as auditors of the Company.

BY ORDER OF THE BOARD



Evi Obieroma

Ag. Company Secretary/Legal Adviser

# Report of the Auditors

to the members of Conoil Plc.

We have audited the financial statements of Conoil Plc as at 31 December 2005 set out on pages 20 to 33 which have been prepared on the basis of consistent accounting policies set out on page 20.

## Respective responsibilities of Directors and Auditors

In accordance with the Companies and Allied Matters Act, CAP C20 LFN 2004, the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion to you.

## Basis of opinion

We conducted our audit in accordance with the international standards on auditing issued by the International Federation of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of

the presentation of information in the financial statements and assessed whether the Company's books of account have been properly kept. We have obtained all the information and explanations we required for the purpose of our audit.

## Opinion

In our opinion, the Company has kept proper books of account and the financial statements are in agreement with the books. The financial statements drawn up in conformity with the generally accepted accounting standards in Nigeria, give a true and fair view of the state of affairs of the Company as at 31 December 2005 and the profit and cash flows for the year ended on that date and have been properly prepared in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004.

Akintola Williams Deloitte

Chartered Accountants  
Lagos, Nigeria  
13 September 2006



# Report of the Audit Committee

to the members of Conoil Plc.

In accordance with the provision of Section 359 (6) of the Companies and Allied Matters Act CAP C 20 LFN 2004, we confirm to the best of our belief that the accounting and reporting policies of the Company are in accordance with legal requirement and agreed ethical practice.

In our opinion, the scope and planning of the audit for the year ended 31 December 2005 was adequate and departmental responses to the auditor's findings on Management matters were satisfactory.

Engr. B. Okuyemi	-	Chairman
Mr. J. A. Fawibe	-	Member
Mr. O.O. Adesina	-	Member
Sir (Dr.) Kola Adegbola	-	Member
Mr. J.O. Ariyo	-	Member
Mr. M.S. Raghuram	-	Member



Engr. B. Okuyemi  
Chairman Audit Committee, Conoil Plc.

Bull Plaza, 38 / 39, Marina,  
Lagos.

12 September 2006

# Significant Accounting Policies

31 December 2005

The following are the principal accounting policies adopted in the preparation of these financial statements:

## 1. Accounting convention

The financial statements are prepared under the historical cost convention.

## 2. Turnover

Turnover comprises the net value of sales invoiced to third parties.

## 3. Fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation.

## 4. Depreciation

Depreciation is provided on a straight line basis at annual rates calculated to write-off the cost of fixed assets over their expected useful lives.

The annual rates are:

Freehold land and building	5%
Leasehold land and building	over the period of the lease
Plant, machinery and equipment	15%
Computer equipment	33.33%
Motor vehicles	25%

## 5. Stocks

Stocks are valued at the lower of cost and net realisable value. Costs comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Cost is calculated using weighted average method. Net realisable value represents the estimated selling price less all estimated cost to be incurred in selling them.

## 6. Debtors

Debtors are stated after deduction of specific provision for debts considered doubtful of recovery. Debtors considered doubtful of recovery are provided for in full.

## 7. Investments

Investments are stated at cost less provision made for any permanent diminution in value.

## 8. Taxation

Taxation is charged at current rates on the profit for the year. Provision for deferred tax is made when income, expenditure or depreciation falls into different periods for accounting and tax purposes. The provision is calculated at rates of tax current at the balance sheet date.

## 9. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Assets and liabilities denominated in foreign currencies are converted to Naira at the rates of exchange ruling on the balance sheet date. Exchange gains and losses are included in the profit and loss account for the year.

## 10. Retirement benefit scheme

The Company operates a gratuity scheme for its permanent staff. The provision represents the estimated value of future liability for gratuities to departing employees.

Also the Company operates a pension scheme funded through monthly contribution of 15% of the staff emolument in accordance with the Pension Reforms Act 2004.

## 11. Bridging claims receivable

The amount represents cost of transporting petroleum products from the depots in the southern part of the country to other zones claimable from the government through the Petroleum Equalization Fund (PEF). The claims at the end of the year are stated after deduction of specific provision for claims considered doubtful of recovery.

# Profit and Loss Account

for the year ended 31 December 2005

	Note	2005 N'000	2004 N'000
Turnover	2	75,535,137	60,032,150
Cost of sales		<u>(64,728,762)</u>	<u>(49,850,872)</u>
Gross profit		10,806,375	10,181,278
Distribution expenses		(3,107,152)	(3,577,109)
Administrative expenses		<u>(3,627,080)</u>	<u>(3,111,292)</u>
Trading profit		4,072,143	3,492,877
Other income	3	151,692	107,672
Interest receivable and similar income		17,841	352,992
Interest payable and similar charges		<u>(381,018)</u>	<u>(420,891)</u>
Operating profit on ordinary activities before taxation and exceptional items	4	3,860,658	3,532,650
Exceptional item	5	<u>-</u>	<u>(158,227)</u>
Operating profit on ordinary activities before taxation		3,860,658	3,374,423
Taxation	6	<u>(1,236,428)</u>	<u>(1,161,274)</u>
Profit on ordinary activities after taxation		2,624,230	2,213,149
Dividend	7	<u>(1,734,880)</u>	<u>(1,387,906)</u>
Balance transferred to general reserve	21	<u><b>889,350</b></u>	<u><b>825,243</b></u>
Earnings per share (kobo)	8	378	319
Dividend per share (kobo)	8	250	200
Dividend cover		1.51	1.59

The accounting policies on page 20 and the notes on pages 24 to 31, form part of these financial statements.

# Balance Sheet

at 31 December 2005

	Note	2005 N'000	2004 N'000
<b>FIXED ASSETS</b>	<b>10</b>	<u>7,989,253</u>	<u>7,550,393</u>
<b>LONG TERM INVESTMENTS</b>	<b>11</b>	<u>10</u>	<u>10</u>
<b>CURRENT ASSETS</b>			
Stocks	12	9,551,611	3,649,827
Debtors and prepayments	13	9,981,997	11,187,126
Bank and cash balances		<u>1,446,341</u>	<u>1,656,727</u>
		<u>20,979,949</u>	<u>16,493,680</u>
<b>CREDITORS: Amounts falling due within one year</b>			
Bank overdraft		2,804,554	1,256,212
Trade creditors		5,479,348	4,174,985
Other creditors	14	5,153,702	6,471,008
Dividend payable	7	1,734,930	1,387,956
Taxation	6	<u>2,274,930</u>	<u>1,394,799</u>
		<u>17,447,464</u>	<u>14,684,960</u>
<b>NET CURRENT ASSETS</b>		<u>3,532,485</u>	<u>1,808,720</u>
Total Assets less Current Liabilities		11,521,748	9,359,123
Deferred taxation	18	(1,011,136)	(862,285)
<b>CREDITORS: Amounts falling due after one year</b>			
Term loan	15	(1,323,554)	-
Distributors deposit	16	(342,652)	(564,055)
Retirement benefits and pension	17	<u>(358,269)</u>	<u>(335,996)</u>
		<u>8,486,137</u>	<u>7,596,787</u>
<b>CAPITAL AND RESERVE</b>			
Share capital	19	346,976	346,976
Share premium account	20	3,824,770	3,824,770
General reserve	21	1,744,469	855,119
Revaluation reserve		<u>2,569,922</u>	<u>2,569,922</u>
		<u>8,486,137</u>	<u>7,596,787</u>

The financial statements on pages 20 to 33 were approved by the Board of Directors on 13 September 2006 and signed on its behalf by:



 } Directors

Dr. R.E. Bekatsolis (Director)      Engr. O.A. Tychas (Managing Director)

The accounting policies on pages 20 and the notes on pages 24 to 31, form part of these financial statements.

# Statement of Cash Flows

for the year ended 31 December 2005

	Note	2005 N'000	2004 N'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		74,888,867	60,132,182
Cash paid to suppliers and employees		(74,178,234)	(59,557,665)
Tax paid		(207,446)	(335,022)
Net cash provided by operating activities	22	<u>503,187</u>	<u>239,495</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets	10	(1,612,983)	(1,486,733)
Interest received		17,841	352,992
Proceeds from sale of fixed assets		-	1,100
Net cash provided by investing activities		<u>(1,595,142)</u>	<u>(1,132,641)</u>
<b>Cash flows from financing activities</b>			
Term loan		1,323,554	-
Distributors deposits		(221,403)	74,588
Dividends paid		(1,387,906)	(2,024,029)
Interest paid		(381,018)	(420,891)
Net cash provided by financing activities		<u>(666,773)</u>	<u>(2,370,332)</u>
<b>Net decrease in cash and cash equivalents</b>		(1,758,728)	(3,263,478)
<b>Cash and cash equivalents at 1 January</b>		<u>400,515</u>	<u>3,663,993</u>
<b>Cash and cash equivalents at 31 December</b>	23	<u>(1,358,213)</u>	<u>400,515</u>

# Notes to the Accounts

for the year ended 31 December 2005

## 1. THE COMPANY

**Conoil Plc** (formerly National Oil and Chemical Marketing Plc) was incorporated in 1960 and is engaged in the marketing of refined petroleum products and the manufacturing and marketing of lubricants, household and industrial chemicals.

## 2. TURNOVER

### Products

	2005 N'000	2004 N'000
Fuel	72,326,465	57,417,976
Lubricants	1,465,270	1,110,403
Chemicals	<u>1,743,402</u>	<u>1,503,771</u>
	<b><u>75,535,137</u></b>	<b><u>60,032,150</u></b>

All the sales were made within Nigeria.

## 3. OTHER INCOME

Service income	82,222	26,064
Profit on disposal of fixed assets	-	1,100
Exchange gains	-	9,129
Rental income	54,772	9,482
Others	<u>14,698</u>	<u>61,897</u>
	<b><u>151,692</u></b>	<b><u>107,672</u></b>

## 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging/(crediting):

Directors' emoluments	7,914	6,116
Auditors' remuneration	11,000	7,500
Depreciation	1,174,123	927,805
Exchange loss/(gain)	<u>15,926</u>	<u>(9,129)</u>

## 5. EXCEPTIONAL ITEM

Exceptional item relates to severance payments to staff in 2004.

# Notes to the Accounts (Cont'd)

for the year ended 31 December 2005

## 6. TAXATION

6(a) Company Income tax  
Education tax  
Deferred tax (See note 18)

Underprovision - prior year

Per profit and loss account

At 1 January  
Payment during the year  
Transfer to deferred tax (See note 18)

Per Balance sheet

Balance above is made up of :

Company income tax  
Education tax

	2005 N'000	2004 N'000
6(a) Company Income tax	965,984	636,720
Education tax	100,696	86,088
Deferred tax (See note 18)	<u>148,851</u>	<u>438,466</u>
	1,215,531	1,161,274
Underprovision - prior year	<u>20,897</u>	-
Per profit and loss account	1,236,428	1,161,274
At 1 January	1,394,799	1,007,013
Payment during the year	(207,446)	(335,022)
Transfer to deferred tax (See note 18)	<u>(148,851)</u>	<u>(438,466)</u>
Per Balance sheet	<u>2,274,930</u>	<u>1,394,799</u>
Balance above is made up of :		
Company income tax	2,049,725	1,193,897
Education tax	<u>225,205</u>	<u>200,902</u>
	<u>2,274,930</u>	<u>1,394,799</u>

6(b) Company Income Tax

The charge for taxation in these accounts is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 and the Education Tax Act CAP E4 LFN 2004.

appropriate rate. The withholding tax is payable to the relevant tax authorities.

## 7. DIVIDEND

The proposed dividend of N1.74 billion (2004 - N1.39 billion) is subject to withholding tax at the

## 8. EARNINGS AND DIVIDEND PER SHARE

Earnings and dividend per share are based on the number of shares issued and fully paid as at the balance sheet date.

# Notes to the Accounts (Cont'd)

for the year ended 31 December 2005

## 9. INFORMATION ON DIRECTORS AND EMPLOYEES

### -Employment Costs:

Staff cost

2005 N'000	2004 N'000
<u>714,625</u>	<u>561,283</u>

Number of Employees of the Company in receipt of emoluments within the bands listed below are:

N400,000 - N500,000	-
N500,001 - N600,000	-
N600,001 - N700,000	-
N700,001 - N800,000	-
N800,001 - N900,000	-
N900,001 - N1,000,000	1
N1,000,001 - N2,000,000	2
N2,000,001 - N3,000,000	136
N3,000,001 - N4,000,000	143

Number	Number
-	-
-	1
-	2
-	4
-	3
1	92
2	137
136	44
143	7
<u>282</u>	<u>290</u>

Average number of employees during the year

Managerial  
Senior Staff  
Junior Staff

18	15
264	272
-	3
<u>282</u>	<u>290</u>

### Directors' Emoluments:

Emoluments of the Chairman  
Directors' fees  
Emoluments of Executives

N'000	N'000
-	-
250	484
<u>7,664</u>	<u>5,632</u>
<u>7,914</u>	<u>6,116</u>

The emoluments of the highest paid Director was N 5,664,000 (2004 - N5,632,000)

Number of Directors (excluding the Chairman) in receipt of emoluments within the following ranges:

N1,000,001 - N3,000,000  
N3,000,001 - N4,000,000  
N4,000,001 - N5,000,000  
N5,000,001 and above  
Directors receiving no emolument

Number	Number
1	-
-	-
-	1
1	-
6	7
<u>8</u>	<u>8</u>

# Notes to the Accounts (Cont'd)

for the year ended 31 December 2005

## 10. FIXED ASSETS

	Land and Buildings N'000	Machinery, Furniture and Equipment N'000	Motor Vehicles N'000	Computer Equipment N'000	Work in Progress N'000	Total N'000
<b>Cost/Valuation</b>						
At 1 January 2005	5,462,470	4,247,394	570,175	873,414	136,424	11,289,877
Additions	159,577	1,436,649	10,822	5,935	-	1,612,983
Transfers	-	136,424	-	-	(136,424)	-
At 31 December 2005	<u>5,622,047</u>	<u>5,820,467</u>	<u>580,997</u>	<u>879,349</u>	<u>-</u>	<u>12,902,860</u>
<b>Depreciation</b>						
At 1 January 2005	1,165,424	1,421,963	393,516	758,581	-	3,739,484
Charge for the year	279,665	768,972	85,786	39,700	-	1,174,123
At 31 December 2005	<u>1,445,089</u>	<u>2,190,935</u>	<u>479,302</u>	<u>798,281</u>	<u>-</u>	<u>4,913,607</u>
<b>Net book value</b>						
At 31 December 2005	<u>4,176,958</u>	<u>3,629,532</u>	<u>101,695</u>	<u>81,068</u>	<u>-</u>	<u>7,989,253</u>
At 31 December 2004	<u>4,297,046</u>	<u>2,825,431</u>	<u>176,659</u>	<u>114,833</u>	<u>136,424</u>	<u>7,550,393</u>

### 10.1. Cost/Valuation at 31 December, 2005 is made up of:

Cost	3,159,577	5,820,467	580,997	879,349	-	10,440,390
Valuation	<u>2,462,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,462,470</u>
	<u>5,622,047</u>	<u>5,820,467</u>	<u>580,997</u>	<u>879,349</u>	<u>-</u>	<u>12,902,860</u>

Some properties located at Marina and Apapa Lagos, Kachia Road Kaduna, Asokoro and Central Area Garki, Abuja were professionally valued at N3.42 billion by Messrs Ora Egbunike & Associates (Estate Surveyors & Valuers) on 17 December 2003 on the basis of the open market capital value. The directors have recognised the total value in the books.

## 11. LONG TERM INVESTMENT

	2005 N'000	2004 N'000
Nigerian Yeast & Alcohol Manufacturing Plc		
Cost	1,846	1,846
Provision for diminution in value	<u>(1,836)</u>	<u>(1,836)</u>
	<u>10</u>	<u>10</u>

Nigerian Yeast and Alcohol Manufacturing Company Plc (NIYAMCO) has stopped any form of business operations for several years and is currently listed to be privatized under the Federal Government of Nigeria privatisation program.

**Notes to the Accounts** (Cont'd)  
for the year ended 31 December 2005

	2005 N'000	2004 N'000
<b>12. STOCKS</b>		
Raw materials	367,854	273,495
Finished goods	9,128,643	3,376,332
Spare parts & consumables	55,114	-
	<u>9,551,611</u>	<u>3,649,827</u>
<b>13. DEBTORS AND PREPAYMENTS</b>		
Trade debtors	4,328,919	3,530,957
Provision for bad and doubtful debts	<u>(1,580,317)</u>	<u>(1,486,697)</u>
	2,748,602	2,044,260
Other debtors	3,042,300	5,513,488
Bridging claims receivable	4,115,094	3,351,989
Interest receivable	-	192,100
Prepayments and other accounts	<u>76,001</u>	<u>85,289</u>
	<u>9,981,997</u>	<u>11,187,126</u>
<b>14. OTHER CREDITORS:</b>		
Other creditors and accruals	996,683	3,155,699
Petroleum equalization fund	<u>4,157,019</u>	<u>3,315,309</u>
	<u>5,153,702</u>	<u>6,471,008</u>

**15. TERM LOAN**

The Company secured a term loan facility of N2.7 billion from Equitorial Trust Bank, a related company at an interest rate of 21% payable over a period of 365 days to finance the purchase of petroleum products from their different suppliers in Nigeria. Amount drawn on the loan at year end less repayment was N 1.32 billion.

**16. DISTRIBUTORS' DEPOSIT**

Distributors' deposit represent amounts collected by the Company from its various dealers and distributors as security deposit against the value of products given to these dealers in credit.

# Notes to the Accounts (Cont'd)

for the year ended 31 December 2005

	2005 N'000	2004 N'000
<b>17. STAFF RETIREMENT BENEFITS AND PENSION</b>		
At 1 January	335,996	322,963
Payments during the year	-	-
Additions	<u>22,273</u>	<u>13,033</u>
At 31 December	<u><b>358,269</b></u>	<u><b>335,996</b></u>
<b>18. DEFERRED TAXATION</b>		
At 1 January	862,285	423,819
Provision during the year	<u>148,851</u>	<u>438,466</u>
At 31 December	<u><b>1,011,136</b></u>	<u><b>862,285</b></u>
<b>19. SHARE CAPITAL</b>		
<b>.1 Authorised:</b>		
700,000,000 Ordinary Shares of 50k each	<u><b>350,000</b></u>	<u><b>350,000</b></u>
<b>.2 Issued and fully paid</b>		
693,952,117 Ordinary Shares of 50k each		
At 1 January	346,976	289,147
Bonus shares reserve capitalised	<u>-</u>	<u>57,829</u>
At 31 December	<u><b>346,976</b></u>	<u><b>346,976</b></u>
<b>20. SHARE PREMIUM ACCOUNT</b>		
Balance brought forward	<u><b>3,824,770</b></u>	<u><b>3,824,770</b></u>
<p>Premium arose in 2003 from the conversion of N4 billion unsecured, zero coupon, irredeemable, convertible loan stock to ordinary shares of 50 kobo at N17.00 per share less transfer to reserve for bonus issue.</p>		
<b>21. GENERAL RESERVE</b>		
At 1 January	855,119	29,876
Transferred from profit and loss account	<u>889,350</u>	<u>825,243</u>
At 31 December	<u><b>1,744,469</b></u>	<u><b>855,119</b></u>

# Notes to the Accounts (Cont'd)

for the year ended 31 December 2005

## 22. Reconciliation of net income to net cash provided by operating activities.

	2005 N'000	2004 N'000
Net income after tax	2,624,230	2,213,149
Adjustments to reconcile net income to net cash provided		
Depreciation	1,174,123	927,805
<b>Changes in assets and liabilities</b>		
Increase in trade debtors	(797,962)	(6,540)
Increase in inventories	(5,901,784)	(1,704,999)
Increase/(decrease) in other debtors and prepayments	1,909,471	(3,673,091)
Decrease/(increase) in trade creditors	1,304,363	(221,227)
(Increase)/decrease in other creditors and accrued expenses	(1,317,306)	1,797,214
Decrease in interest receivable	(17,841)	(352,992)
Increase in interest payable	381,018	420,891
Increase in provision for taxation and deferred tax	1,028,982	826,252
Increase in provision for pension	22,273	13,033
Increase in provision for bad and doubtful debts	93,620	-
<b>Net cash provided by operating activities</b>	<u>503,187</u>	<u>239,495</u>

## 23. Cash and cash equivalent

Cash	8,235	3,920
Bank balance	<u>1,438,106</u>	<u>1,652,807</u>
	1,446,341	1,656,727
Bank overdraft	<u>(2,804,554)</u>	<u>(1,256,212)</u>
	<u>(1,358,213)</u>	<u>400,515</u>

## 24. CAPITAL COMMITMENTS

There were no capital commitments as at the end of the year.

## 25. CONTINGENT LIABILITIES

1. There are a number of legal suits outstanding against the company estimated at N 787.45 million (2004-N196.84 million). On the advice of the

Counsels, the Board of Directors are of the opinion that no material losses are expected to arise therefrom.

2. In addition, there are on-going discussion with various regulatory agencies with liabilities estimated at N 830 million (2004 - Nil) for which the outcome is uncertain. However, the Board of Directors are of the opinion that no material losses are expected to arise in this respect due to sufficiently available supports to avoid such charges.

# Notes to the Accounts (Cont'd)

for the year ended 31 December 2005

## 26. RELATED PARTY TRANSACTIONS

During the year, the Company traded with Equitorial Trust Bank and Devcom Bank Limited

(now merged as Equitorial Trust Bank Limited) and Globacom Mobile Limited on terms similar to such transactions entered into with third parties as at balance sheet date:

	Sales of Goods N'000	Purchase of Goods N'000	Deposits N'000	Overdraft and Term loan N'000
Equitorial Trust Bank Limited	-	-	1,140,021	3,839,912
Globacom Mobile Limited	<u>55,623</u>	<u>38,759</u>	<u>-</u>	<u>-</u>
	<b><u>55,623</u></b>	<b><u>38,759</u></b>	<b><u>1,140,021</u></b>	<b><u>3,839,912</u></b>

The Chairman is known to have significant interest in Globacom Mobile Limited and Equitorial Trust Bank Plc.

## 27. RECLASSIFICATION OF BALANCES

Certain prior year balances have been re-classified to ensure proper disclosure and conformity with current year presentation.

# Statement of Value Added

for the year ended 31 December 2005

	2005 N'000	%	2004 N'000	%
Sales	75,535,137		60,032,150	
<b>Bought in materials and services</b>				
Imported	(17,447,349)		(14,443,662)	
Local	<u>(52,338,382)</u>		<u>(40,724,977)</u>	
<b>Value Added</b>	<u><b>5,749,406</b></u>	<u><b>100</b></u>	<u><b>4,863,511</b></u>	<u><b>100</b></u>
<b>Distributed as follows:</b>				
<b>Employees</b>				
Salaries and wages				
	714,625	13	561,283	12
<b>Providers of capital</b>				
Dividend				
	1,734,880	30	1,387,906	28
<b>Government</b>				
Income tax	1,087,577	19	722,808	15
<b>Maintenance of assets and future expansion</b>				
Depreciation	1,174,123	20	927,805	19
Deferred tax	148,851	3	438,466	9
Retained for the company's growth	<u>889,350</u>	<u>15</u>	<u>825,243</u>	<u>17</u>
	<u><b>5,749,406</b></u>	<u><b>100</b></u>	<u><b>4,863,511</b></u>	<u><b>100</b></u>

Value added represents the additional wealth the Company has been able to create by its own and employees' efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.

# Five-Year Financial Summary

31 December

FINCO GROUP

	2005 N'000	2004 N'000	2003 N'000	2002 N'000	2001 N'000
<b>BALANCE SHEET</b>					
<b>ASSETS</b>					
Fixed assets	7,989,253	7,550,393	6,991,465	3,262,293	2,646,422
Long term investments	10	10	10	10	1,846
Net current assets/(liabilities)	3,532,485	1,808,720	1,016,318	3,594,042	151,746
Amounts falling due after one year	(1,666,206)	(564,055)	(489,467)	(278,845)	(269,139)
Provision for liabilities & charges	(1,369,405)	(1,198,281)	(746,782)	(474,754)	(435,367)
	<u>8,486,137</u>	<u>7,596,787</u>	<u>6,771,544</u>	<u>6,012,746</u>	<u>2,095,508</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	346,976	346,976	289,147	171,500	171,500
Share premium account	3,824,770	3,824,770	3,824,770	246	246
Loan stock				4,000,000	
Reserve for bonus issue			57,829		
General reserve	1,744,469	855,119	29,876	1,841,000	1,923,762
Revaluation reserve	<u>2,569,922</u>	<u>2,569,922</u>	<u>2,569,922</u>		
	<u>8,486,137</u>	<u>7,596,787</u>	<u>6,771,544</u>	<u>6,012,746</u>	<u>2,095,508</u>
<b>Profit and loss account</b>					
Turnover	<u>75,835,137</u>	<u>60,032,150</u>	<u>34,504,503</u>	<u>21,885,611</u>	<u>17,259,543</u>
Operating profit before taxation	3,860,658	3,374,423	3,032,075	1,072,074	1,328,114
Taxation	(1,236,428)	(1,161,274)	(1,002,660)	(330,690)	(306,236)
Profit after taxation	2,624,230	2,213,149	2,029,415	741,384	1,021,882
Dividend	(1,734,880)	(1,387,906)	(2,024,029)	(686,000)	(171,500)
Profit for the year retained	<u>889,350</u>	<u>825,243</u>	<u>5,386</u>	<u>55,384</u>	<u>850,382</u>
Earnings per share	378k	319k	292k	107k	147k
Dividends per share	250k	200k	292k	99k	25k
Net assets per share	1,223k	1095k	976k	866k	302k

**Note:**

Earnings, dividend and net assets per share are based on 693,952,117 ordinary shares in issue at 31 December 2005.

# Corporate Directory

## Head Office

Bull Plaza,  
38/39, Marina,  
PMB 2052, Lagos  
Tel: (01) 2665880-9, 2665872, 2664345,  
2662992, Fax: (01) 2662802, 2664942

## Regional Offices

### Apapa Installation

Conoil/AP Road, near New Naval Base,  
P.O. Box 45, Apapa, Lagos  
Tel: (01) 5451674-5, 5874377, 5451685,  
5451680, 5803810, 5803814  
Fax: (01) 5872907, 5451675

### Aviation Service

Opposite Aero Contractor Terminal,  
Local airport, Ikeja.  
Tel: (01) 4973877

### Abuja Office

Conoil Service Station,  
Herbert Macaulay Way, opp. NNPC,  
Central Business District, Abuja.  
Tel: (09) 2347352-6  
Fax: (09) 2347355-6

### Kano Office

H.W. Romain Road, Kano.  
Tel: (064) 644316, 634317, 647176

### Ibadan Office

Along Magazine Road,  
Jericho, Ibadan.  
Tel: (02) 2413136, 2410636  
Fax: (02) 2410636  
Port Harcourt Office  
1, Reclamation Road, Port Harcourt.  
Tel: (084) 230697, 230414,  
Fax: (084) 230414

### Warri Office

Edewor Shopping Complex,  
50, Effurun/Warri Road, Warri  
Tel: (053) 253465, 253081, 252340, 253832  
Fax: (053) 253465, 257919

### Enugu Office

1, Upper Ogui Road, Enugu.  
(042) 450208, 255785  
Jos Office  
13, Jengere Road, Oppo. Leventis Motors, Jos.  
(073) 464712, 464782



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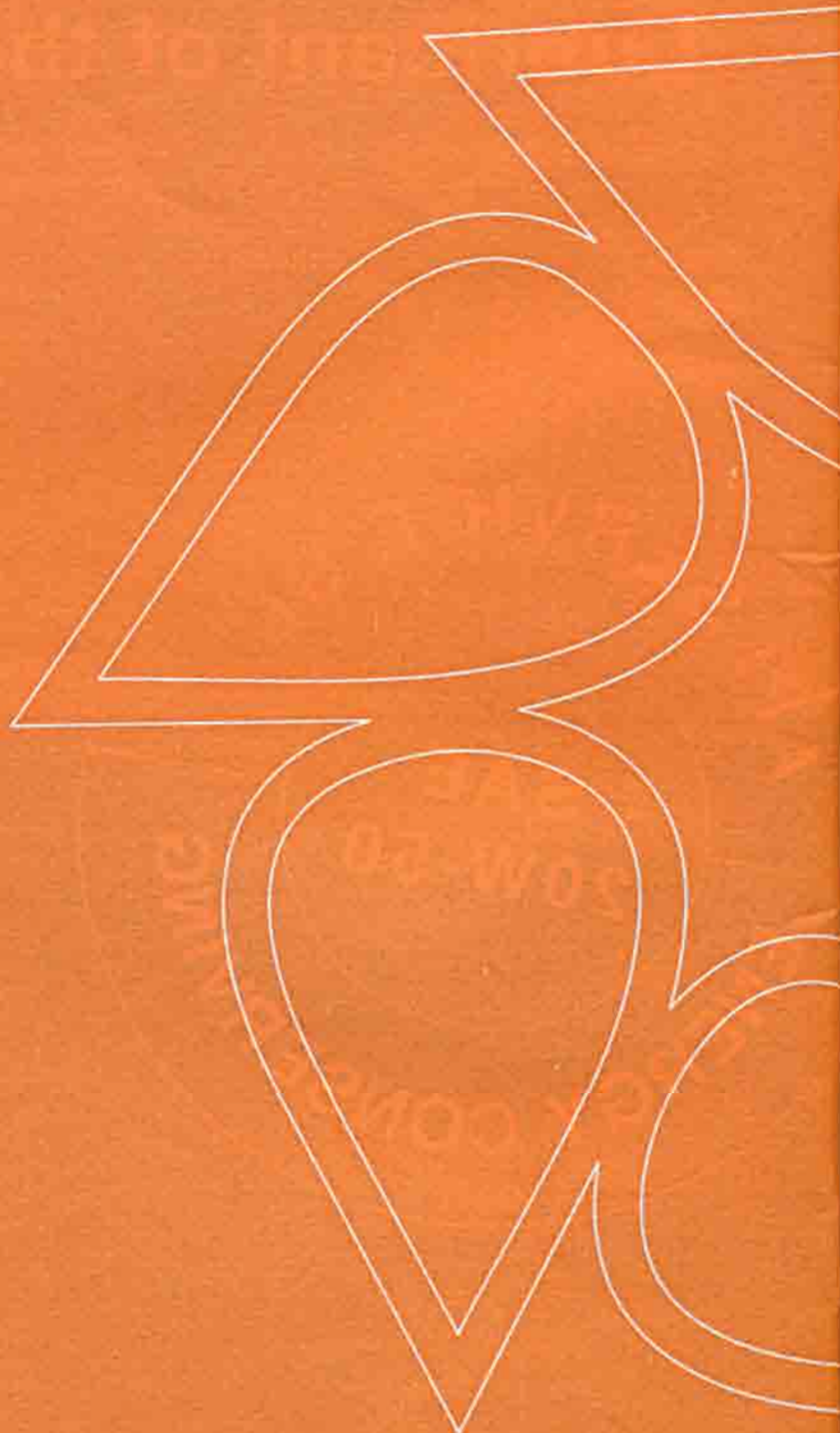
Conoil has been voted 'Oil Company of the Year' and our flagship Quatro Ultra 'Lubricant of the Year'. Quatro Ultra is the first lubricant in Nigeria with the SL grade, and the only one that carries the coveted mark of excellence from the American Petroleum Institute. We're not the only ones who should feel proud, you should too.



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