

BECO PETROLEUM PRODUCTS PLC

2009 ANNUAL REPORT AND ACCOUNTS

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DIRECTORY

CORPORATE HEAD OFFICE:

BECO PETROLEUM PRODUCTS PLC

4, GABARO CLOSE,

OFF AMODU OJIKUTU STREET

VICTORIA ISLAND,

LAGOS.

DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTORS:

SIR OGALA OSOKA (MFR)	CHAIRMAN
DR. E. C. MOJEKWU	VICE CHAIRMAN/CHIEF EXECUTIVE OFFICER
MR. H. C. MOJEKWU	MANAGING DIRECTOR
MR. K. O. MOJEKWU	EXECUTIVE DIRECTOR
DR. ADEYINKA AKINBAMI	DIRECTOR
MR. MEZU NWUNELI	DIRECTOR
SIR. FEMI GIWA-AMU	DIRECTOR
MR. UCHE VALENTINE OBI	DIRECTOR

BANKERS:

ZENITH BANK PLC
UNITED BANK FOR AFRICA PLC
INTERCONTINENTAL BANK PLC
WEMA BANK PLC

AUDITORS:

MESSERS R. O. IRRECHUKWU & CO
CHARTERED ACCOUNTANTS
256, IKORODU ROAD, OBANIKORO,
LAGOS.

SECRETARY:

ALLIANCE LAW FIRM
BARRISTERS, SOLICITORS, ARBITRATORS, NOTARIES
PUBLIC
UNION MARBLE HOUSE, 2ND FLOOR
FALOMO
LAGOS.

RESULT AT A GLANCE

	2009 N	2008 N	VARIANCE %
PROFIT AND LOSS			
Gross Income	3,995,384,089	3,397,579,000	17.60
Profit Before Tax	216,718,385	261,292,717	(17.06)
Profit After Tax	176,810,098	135,162,698	30.81
BALANCE SHEET			
Paid Up Capital	1,858,488,290	10,000,000	18,484.9
Shareholders' Fund	3,289,231,395	2,158,921,798	52.36
Total Assets	3,852,452,288	2,720,753,817	41.60

CORPORATE PROFILE

BECO PETROLEUM PRODUCTS PLC is an indigenous operator in the Marine and the Oil and Gas sectors of the Nigerian economy. The Company was founded in 1986 as a Limited Liability Company by the pioneer Chairman, Chief Eugene Mojekwu and commenced operations in 1987, engaging in the provision of diverse services to the downstream and upstream segments of the Nigerian Oil and Gas Industry. Over the years, the company has emerged as an enviable petroleum products marketer, distributor, maritime operator and transporter.

Our vision is to be a foremost Integrated Oil and Gas and Shipping Organization offering value-added services to select clientele in Nigeria and Internationally.

The Company is pursuing a set of related business opportunities in both the shipping, and oil and gas sectors. Based on our business objectives and core competences, BECO currently offers its services through five core business segments comprising Service Stations, Bulk Petroleum Trade, Tank Farm management, Marine Tanker operations, and Heavy Duty Trucks management.

BECO dispenses petroleum products through a chain of well managed Service Stations located across the Country. We obtain supplies from both local and international sources. We are in the process of developing more Service Stations to improve market share and profitability. All our Stations are located within growth centres or in urban areas except in circumstances where it has been shown, through appropriate studies, that the need exists otherwise. We ensure conformity with all the rules and regulations governing the location of Service Stations as superintended by the Department of Petroleum Resources in Nigeria.

BECO operates Marine Tankers which were acquired to facilitate coastal and offshore delivery of petroleum products. As one of the indigenous oil and gas companies in Nigeria it now plans to expand the vessel fleet in order to reposition to play a more strategic role in both the oil and gas and shipping industries.

The focus of the Company at its inception was Petroleum Service Stations maintained in strategic areas of Lagos State. It spread to other parts of the country over time. In this connection, the company operates several heavy duty trucks with which it carries out products transportation all over the country.

BECO has acquired a commercial piece of land in Ikot Abasi, Akwa Ibom State of Nigeria, for the construction of a 96,000mt capacity Petroleum Products Storage Depot. The piece of land is situated along the water channel leading to the Calabar Port

Complex. The plan to construct a tank farm is primarily to enable us take advantage of the vast business opportunities available in the oil and gas and shipping sectors.

OUR VALUES

- Building our business around our clients and people
- Commitment to operating within the confines of the law and all the relevant regulations.
- Maintaining high standard of integrity in our dealings.
- Maintaining an open and friendly work environment built on care and respect for the individual.
- Efficient satisfaction of our customers' needs.
- Offering of quality products and services
- Provision of non-discriminatory, healthy, safe and challenging work environment
- Commitment to improving the quality of life for our people
- Striving for security
- Caring for the environment and the communities in which we operate
- Acting professionally in all transactions and dealings.

CORE COMPETENCIES & STRENGTHS.

The drivers of success and the core competencies required in accomplishing the company's business objectives are as follows:

- Multi-Skilled, experienced and committed staff.
- Strong social contacts and awareness.
- Effective relationship management.
- Strategic alliances drawing from wide industry contacts.
- Creativity in meeting business requirements.
- Extensive experience and knowledge of the specific businesses in which we are involved.

OUR STRATEGY

The company's strategies remain to;

- Focus on core businesses;
- Generate superior cash flow returns;
- Achieve global competitiveness;
- Develop globally competitive people;
- Practice sound corporate, environmental and social governance; and
- Build on our strengths through synergistic growth.

TARGET MARKET

The Company focuses on distinct markets with special emphasis on:

- Oil Majors
- Independent Oil Operators
- Industrial and Commercial outfits
- Commuter Vehicle Operators and Private Vehicle Owners
- Ocean Going International and Local Vessels
- Oil Rigs
- Petroleum Products Storage Users.

CORPORATE GOVERNANCE AND ETHICAL VALUES

In view of the competitive nature of its market, BECO ensures professionalism, excellence, innovation, and customer satisfaction by applying the rules of the industry, speedy response to customers' requests, and total commitment to best practices.

Consequently, our core values are:

- Ethical conduct and professional practices - playing by the rules.
- Efficiency and diligence.
- Respect for internal and external customers.
- Discipline
- Confidentiality.

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the 1st post listing Annual General Meeting of Beco Petroleum Products Plc will be held at The Muson Centre, 8/9 Marina, Onikan, Lagos on Friday, 21st May 2010 at 11am to transact the following business:

Ordinary Business

1. To receive and consider the Audited Statement of Accounts for the year ended 31st July 2009.
2. To re-elect Director's retiring in accordance with the Company's Articles of Association.
3. To authorize the Director's to fix the remuneration of Auditors.
4. To elect members of the Audit Committee.
5. To approve the remuneration of the Directors.
6. To declare dividend.
7. To elect shareholder's representatives on the Audit Committee.

Special Business

To consider and if thought fit, pass the following resolution as SPECIAL Resolutions:

1. "That the Company be and is hereby authorised to raise additional capital via the issue of debt or equity (including rights to subscribe) or a combination of both including without limitation redeemable convertible bonds and loan stock whether by way of private placement or otherwise or by way of an offer for subscription, upon such terms and conditions to be determined at the discretion of the Directors and subject to any requisite regulatory approvals".
2. 'That the issue of any additional capital via the issue of debt or equity (including rights to subscribe) or a combination of both including without limitation redeemable convertible bonds and loan stock whether by way of private

placement or otherwise or by way of an offer for subscription, upon such terms and conditions determined by the Directors with requisite regulatory approvals be and is hereby ratified".

3. "That the Directors be and are hereby authorised to issue and allot such number of ordinary shares of the Company that underlie the options referred to in the above resolutions in favour of the option- holder(s) upon notification by such option-holder(s) that they wish to exercise their options".
4. "That the Company be and is hereby authorised to take all necessary steps required to effectively execute the above resolutions while complying with all applicable laws and regulations and that the Directors be and are hereby authorised to execute all such documents as are necessary to give effect to the above resolutions".

Dated this.....day of2010

By Order of the Board
Alliance Law Firm
Company Secretary

REGISTRAR:
UBA REGISTRARS
97/105 BROAD STREET,
LAGOS

CHAIRMAN'S STATEMENT

INTRODUCTION

Distinguished shareholders, my colleagues on the board, special guests, ladies and gentlemen, I feel highly honoured to welcome you to the first Annual General Meeting (AGM) of the Beco Petroleum Products Plc since being listed as a quoted company on the Nigerian Stock Exchange. I am also glad to present to you the company's Annual Report and Financial Statements for the year ended July 31, 2009. I welcome in a special way some of you who are attending our Annual General Meetings for the first time.

THE COMPANY

As a new Public Limited Liability Company which has recently taken in a good number of new shareholders, let me give a short brief on the company for the benefit of all the shareholders.

Your Company is an indigenous operator in the Marine and the Oil and Gas sectors of the Nigerian economy. It was founded in 1986 as a private Limited Liability Company, and commenced operations with a few Service Stations in 1987. Over the years the company has expanded, engaging in the provision of diverse services to the downstream segment of the Nigerian Oil and Gas Industry. BECO dispenses petroleum products through a chain of well managed Service Stations located across the Country. The Company also operates a number of Marine Tankers to facilitate coastal and offshore delivery of petroleum products. In addition BECO operates a fleet of heavy duty trucks used for the haulage of petroleum products across the country. The company has commenced constructing a 96,000mt capacity Petroleum Products Storage Depot at Ikot Abasi, Akwa Ibom State.

The Company commenced business with a share capital of N1,000,000. The authorized share capital of N3,260,000,000, with issued and fully paid-up share capital of N1,858,488,290. With its transformation into a public limited company, we now have about 500 shareholders on our register.

DOMESTIC AND INTERNATIONAL ENVIRONMENTS

While the global economy witnessed a general slowdown in 2008/9, the domestic economic environment also witnessed a significant decline in some important financial and economic indicators during the period. This derived from the global economic meltdown, and its negative impact on the Nigerian Capital Market, and the financial reforms in the banking sector. Particularly, the first quarter of 2009 witnessed threats of bank failures, a collapsing capital market, coupled with volatility in the foreign exchange market necessitated by the global economic crisis. All these adversely affected our operations in the oil and gas sector.

There was pressure on the value of the Naira leading to its depreciation from N116/US\$ as at the end of July 2008, to N150/US\$ as at November, 2009. Domestic Lending rates have remained adjusted to a maximum of 22% per annum. This was as high as 30% p.a. during most of 2008, thereby adding to the cost of doing business in Nigeria.

Real gross domestic product (GDP) grew approximately by 5.3 percent in 2008 but showed a lower growth rate of 3.8% in 2009. GDP per capita however grew slightly from \$2,300 in 2008 to \$2,400 in 2009. It is estimated that the GDP in 2010 will grow by 6.1%. Domestic inflation in 2008 was officially put at 11.5%. Target inflation in 2009 was 10.4% as the economy could not achieve a one digit inflation rate.

External Reserves declined from US\$53bn in December 2008 to US\$46.54bn as at end of December 2009. This is despite the increase in Oil prices from US\$37/barrel in December 2008

to US\$79/Barrel in November, 2009, and notwithstanding that oil production improved from 1.7mbpd to 2.02mbpd as at November 2009, following the current truce between the Federal Government and the militants in the Niger Delta area. As you are aware, Nigeria's economy is heavily dependent on oil sector revenues, which account for nearly 80 percent of government revenues.

Despite the economic crisis world over, the price of crude oil has been on the increase in the international market. In Nigeria, the inability of the government to come out with a clear policy on the planned deregulation of the industry has continued to confuse operators and has therefore made planning in the sector very difficult. This combined with other factors to contributed to the incessant scarcity of petroleum products; with the attendant hardship on many Nigerians.

OPERATING RESULT

In spite of the difficult economic and operating environment our Company was able to achieve an increase of 17.6% in Gross Turnover from N3.398 Billion in 2008 to N3.995 Billion in 2009.

Profit after tax rose by 30.8% from N135.16 Million in 2008 to N176.81 Million in 2009, while Shareholders' fund also grew by 52.41% (from N2.158bn in 2008, to N3.289bn in 2009). Despite the current economic downturn, our Company will be proposing dividend for the financial year under review. Consequently, and in line with our dividend policy, dividend will be paid from business profits, subject to deduction of withholding tax at the time of payment, and to all shareholders whose names appear on the register of shareholders as at the end of the financial year.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITIES

Our Company has put in place a good corporate governance framework in line with best practices and in compliance with the requirements of the Nigerian Stock Exchange. The Board acknowledges its oversight responsibility of the business of the company drawing up long term strategy and objectives. It also ensures the company's system of internal control and procedures are geared to protect shareholders investments and company assets. The Chairman and non executive directors are independent and do not interfere in the day to day running of the company. The Board meets at least four times a year and appropriate Board Committees have been established.

BUSINESS PROSPECTS, FUTURE OUTLOOK, AND GOING CONCERN STATUS

Distinguished shareholders, despite the current economic downturn, the future of our company is bright. As we make progress in 2010, our Company is strategically positioned and equipped to meet the challenges of the future. Our objective is to achieve consistent growth through well focused business development strategies.

The intermittent scarcity of petroleum products remains a challenge to the downstream sector. BECO has put in place adequate facilities that will mitigate this constraint with the purchase of marine vessels, delivery truck tankers as well as investment in a tank farm for storage of products, to ensure regular supplies to customers. At the same time we shall strengthen our operations on the retail side with addition of new Service Stations in various parts of the country.

In recent years, government has implemented a series of Economic Reforms aimed at bringing about an efficient private sector led growth and development. The key element of this package includes privatization programme, financial sector consolidation, pension reforms, partial deregulation of the downstream segment of the oil industry, Cabottage Act and Local Content Policy. BECO has identified a number of opportunities inherent these reforms. It is noteworthy that these opportunities fit into our strategic plan. We have proposed to strengthen our capital base to take appropriate positions for the benefit of shareholders.

Our company is poised to transform its activities into a world class petroleum products marketing organization that would exceed stakeholder's expectations. It also hopes to invest in additional manpower and technology, and in the development of the work force through continuous training and acquisition of cutting edge technologies. To this end we shall continue to engage and retain top drawer staff at all levels of our operation.

CONCLUSION

Aware of the challenges and competitions that characterize the energy and maritime sectors and the opportunities therein, the Board and management will continue to ensure that BECO maintains an edge in this sector and always deliver on our promises to the satisfaction of all stakeholders.

BECO is strategically positioning to meet the challenges of the future. Our increased investment in Human Capital Development will enable us take advantage of the increasing liberal operating environment and the envisaged positive changes in the Oil and Gas, and the shipping industries. We shall always be guided in all that we do by the ingredients of our mission which include maximizing customer satisfaction, increasing our market share and profit, and creating wealth for our shareholders.

I would like to thank you all distinguished shareholders for your confidence and support over the years, and for assisting in making a success of BECO despite the difficult operating environment. I wish you the best in all your endeavours and pray that the good Lord will continue to bless us all.

Thank you.

Sir Ogala Osoka MFR
Chairman
April, 2010

REPORT OF THE DIRECTORS

For the year ended 31 July, 2009

The Directors submit their report with the audited financial statements of the company for the year ended 31 July 2009

RESULTS

Profit after taxation

N

176,810,098

BUSINESS

To carry on trade or business of refined petroleum products, dealers on petroleum products and marketer, petroleum truck peddlers, agents and distributors of petroleum products in general and their like.

LEGAL FORM

The company was incorporated on January 30, 1986 as a private Limited Liability Company but commenced operations in 1987.

DIRECTORS

1. The directors who served during the period are listed on page 3
2. The shareholding of the company during the year was:

	ORDINARY	%
Matrix Engineering	580,963,439	15.63
Dr. Eugene C Mojekwu	400,318,378	10.77
World Mission Agency	215,212,944	5.79
Living Faith Church	210,752,572	5.67
Covenant University	199,141,270	5.36
Mr. Uchenna Mojekwu	195,141,270	5.25
Others	1,915,358,032	51.53
	<u>3,716,887,905</u>	<u>100.00</u>

DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for the period and comply with the requirements of the Companies and Allied Matters Act 1990. In doing so they ensure that:

- proper accounting records are maintained;
- internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities;
- applicable accounting standards are followed
- suitable accounting policies are adopted and consistently applied;
- judgements and estimates made are reasonable and prudent; and
- the going concern basis is used, unless it is inappropriate to presume that the Company will continue in business.

EMPLOYMENT AND EMPLOYEES

Employment of the Disabled

It is the policy of the Company that there is no discrimination in considering applications for employment including those from physically challenged persons.

At 31 July, 2009, there were no physically challenged persons in the employment of the Company

Health Safety and Welfare at Work of Employees:

Health and safety regulations are in force within the premises of the Company. The Company provides supplements for medical facilities to all levels of employees. The company provides or subsidises transportation and lunch.

Employee Involvement and Training:

The Company is open to constructive and meaningful suggestions from its staff towards ensuring effective involvement of staff-members in matters affecting them as employees as well as those pertaining to the Company's affairs. These views are sourced through formal and informal channels.

Training is critical to the company given its unique role. As such, staff members are exposed to well structured courses from time to time

FIXED ASSETS

Movements in Fixed Assets during the year are shown in Note 1 on page 11.

DONATIONS

There were no contributions to political party during the year.

POST BALANCE SHEET EVENTS

There are no significant post balance sheet events with material effect on the financial affairs of the company and the profit for the year ended 31 July 2009 which have not been provided for.

AUDITORS

The Directors appointed Messrs OR&C Audit Chartered Accountants to hold office in line with the provisions of Section 357 (6) of the Companies and Allied Matters Act 1990.

BY ORDER OF THE BOARD

COMPANY SECRETARY

LAGOS, NIGERIA

Statement of Accounting Policies
For the year ended 31 July 2009

The following are the significant policies adopted by the company in the preparation of its financial statements.

Basis of Accounting

These accounts are prepared under the historical cost convention.

Income recognition

Income comprise the proceed from the sale of products and from services rendered

FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful lives at the following annual rates:

Land & Building	2%
Plant & Machinery	10%
Motor Vehicle	12.5%
Trucks	10%
Equipment	10%
Vessels	5%

Gains or losses on the disposal of fixed assets are included in the profit and loss account.

Fixed Assets Revaluation Reserve

Surpluses/deficits arising on the revaluation of individual fixed assets are credited/debited to a non distributable reserve known as the fixed assets revaluation reserve

Taxation

Income tax payable is provided on taxable profits at the current rate.

Deferred taxation

Deferred taxation is provided for using the liability method, which represents taxation at the current rate of corporation tax on all timing differences between the accounting values and their corresponding tax values. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Inventories

Inventories are stated at the lower of cost or net realizable value.

Debtors

Debtors are stated after deduction of specific provisions for doubtful debts.

Investments

Investments are treated as long term assets until disposed. Provision is made for diminution in value.

**BECO PETROLEUM PRODUCTS PLC
BALANCE SHEET
AS AT 31ST JULY**

		2009	2008
ASSETS	Notes	N	N
Fixed Assets	1	3,133,448,360	2,231,245,817
Investments	2	4,210,099	21,734,000
Current assets	3	714,793,892	467,774,000
Total Assets		3,852,452,288	2,720,753,817
 LESS: LIABILITIES			
Amount falling due within one year	4	563,220,893	561,832,019
NET ASSETS		3,289,231,395	2,158,921,798
 CAPITAL AND RESERVES			
Paid-up Share capital	5	1,858,488,290	10,000,000
Deposit for Shares			1,645,662,100
Share Premium		954,912,309	-
Bonus Issue reserve			184,239,000
Capital Reserve		183,858,000	183,858,000
Revenue Reserve		291,972,796	135,162,698
SHAREHOLDERS FUNDS		3,289,231,395	2,158,921,798

Henry Mojekwu ----- Managing Director

Kingsley Mojekwu ----- Director

The notes on page 22 to 26 form part of these accounts.

BECO PETROLEUM PRODUCTS PLC					
PROFIT AND LOSS ACCOUNT					
For the year ended 31 July 2009					
				2009	2008
				=N=	=N=
		Notes			
Gross Income		7		3,995,384,089	3,397,579,000
Cost of sales		8		(3,341,957,205)	(2,996,482,000)
GROSS PROFIT				653,426,884	401,097,000
Less:					
Operating Expenses		9		318,063,125	104,193,000
Depreciation		1		101,121,343	35,611,283
Diminution in Investment		2		17,524,031	
				436,708,499	139,804,283
Profit before taxation		10		216,718,385	261,292,717
Taxation		11		(39,908,287)	(32,150,326)
Deferred tax		12			(93,979,693)
Profit after taxation				176,810,098	135,162,698
Balance carried forward				176,810,098	135,162,698
The notes on pages 22 to 26 form part of these accounts.					

BECO PETROLEUM PRODUCTS PLC
CASH FLOW STATEMENT
For the year ended 31 July 2009

	2009 =N=	2008 =N=
Cash flow from operating activities:		
Net Profit	216,718,385	261,292,717
Depreciation	101,121,343	35,611,283
Profit on Sale of fixed assets		(23,200,000)
Diminution in Investment	17,524,031	
Operating Cash flow before changes in operating assets	335,363,759	273,704,000
Increase/(decrease) in operating assets/liabilities		
Stock	(100,533,481)	(50,316,000)
Debtors	(146,577,457)	(293,634,000)
Creditors	(77,774,425)	81,761,000
	(324,885,363)	(262,189,000)
Tax paid	(9,129,731)	
Net cash from operating activities	1,348,665	11,515,000
Cash flow to investing activities:		
Purchase of fixed assets	(1,003,323,886)	(1,839,979,100)
Purchase of investments		(9,434,000)
Proceed from sale of fixed assets		23,201,000
	(1,003,323,886)	(1,826,212,100)
Cash flow to financing activities:		
Share capital	1,848,488,290	
Share premium account	954,912,309	
Deposit for shares	(1,645,662,100)	1,625,662,100
Dividend paid		(15,000,000)
Bonus issue reserve account	(184,239,000)	
	973,499,499	1,610,662,100
Net increase in cash and cash equivalents	(28,475,722)	(204,035,000)
Bank and cash balances at 1 August	(276,423,000)	(72,388,000)
Bank and cash balances at 31 July	(304,898,722)	(276,423,000)
REPRESENTED BY:		
Cash and bank balances	3,193,021	3,284,000
Bank overdraft	(308,091,743)	(279,707,000)
	(304,898,722)	(276,423,000)

NOTES TO THE ACCOUNTS

For the year ended 31 July 2009

FIXED ASSETS

Summary	Land & Building	Plant & Machinery	Vehicles & Trucks	Vessels	Office equip. & Furniture	Totals
					=N=	=N=
Cost:						
At 1 August	1,367,742,000	29,701,000	134,689,000	753,123,000	63,062,100	2,348,317,100
Additions	811,879,710	7,186,330	172,462,501	6,000,000	5,795,345	1,003,323,886
Disposal						
At 31 July	2,179,621,710	36,887,330	307,151,501	759,123,000	68,857,445	3,351,640,986
Depreciation						
At 1 August	24,493,158	17,257,100	46,379,475		28,941,550	117,071,283
Charge for the year	24,128,839	3,383,705	29,284,995	37,781,150	6,542,654	101,121,343
At 31 July	48,621,997	20,640,805	75,664,470		35,484,204	218,192,626
At 31 July 2009	2,130,999,713	16,246,525	231,487,031	759,123,000	33,373,241	3,133,448,360
At 31 July 2008	1,343,248,842	12,443,900	88,309,525	753,123,000	34,120,550	2,231,245,817

The Building at Alasia was professionally revalued in 2004 by Messrs Godwin Kalu & Co, Estate Surveyors & Valuers and in March 2008 by Messrs Herbert Onodingene & Partners, Estate Surveyors & Valuers on the basis of open market values. The values were discounted at 20% and incorporated in the books as at that date .

The surplus that arose on the revaluation was credited to the fixed assets revaluation reserve.

	2009	2008
	=N=	=N=
INVESTMENTS		
Quoted investments	21,734,130	21,734,000
Provision for diminution in value	(17,524,031)	
	4,210,099	21,734,000
CURRENT ASSETS		
Stock	242,030,351	141,497,000
Trade Debtors	151,902,279	152,867,000
Other debtors	317,668,178	170,126,000
Cash and Bank	3,193,021	3,284,000
	714,793,829	467,774,000
CREDITORS		
Bank loan and Overdraft	308,091,743	279,707,000
Trade creditors	12,662,575	80,662,000
Other creditors		9,775,000
Taxation (Note 11)	128,486,882	97,708,326
Deferred tax (Note 12)	93,979,693	93,979,693
Dividend payable (Note 13)	20,000,000	
	563,220,893	561,832,019

	2009 =N=	2008 =N=
SHARE CAPITAL		
1	Authorised:	
	6,520,,000,000 Ordinary shares of 50 kobo each	3,260,000,000
		2,010,000,000
	3,260,000,000	2,010,000,000
<p>At an Extra-Ordinary General Meeting of the Company held on Wednesday 26th November 2008, the authorised share capital of the Company was increased from 2,010,000,000 Ordinary shares of N1.00 each to 3,260,000,000 ordinary shares of N1.00 each with the addition of 2,500,000,000 ordinary shares of N1.00 each. At the same meeting, a resolution was taken to convert the ordinary shares of the company from N1.00 shares to 50k share. The increase in shares as well as the shares conversion has been duly registered with the Corporate Affairs Commission</p>		
2	Called up, issued and fully paid:	
	Balance b/f	10,000,000
	Transfer from Deposit from shares	1,645,662,100
	Transfer from Bonus issue reserve	184,239,000
	Additions during the year	18,587,190
	At 31 July	1,858,488,290
		10,000,000
REVENUE RESERVE		
	At 1 August	135,162,698
	Retained profit for the period	-
	Dividend paid	(20,000,000)
	Transfer to bonus issue reserve account	(184,239,000)
	At 31 July	115,162,698
		135,162,698
TURNOVER		
	PMS	2,249,930,053
	AGO	984,411,717
	DPK	340,776,169
	Engine oil	2,603,000
		417,663,150
		3,995,384,089
		3,397,579,000
COST OF SALES		
	PMS	2,116,772,465
	AGO	882,341,094
	DPK	205,275,033
	Engine oil	2,190,000
	Vessel Expenses	135,378,613
		3,341,957,205
		2,996,482,000

	2009 =N=	2008 =N=
OPERATING EXPENSES		
Administrative Expenses	133,245,549	32,216,000
Selling expenses	124,290,231	44,376,000
Financial charges	60,527,345	50,801,000
Profit on disposal of fixed assets		(23,200,000)
	318,063,125	104,193,000
PROFIT BEFORE TAXATION		
This is arrived at after charging:		
Directors emoluments:	5,000,000	5,000,000
Directors fees	1,000,000	1,000,000
Profit on disposal of fixed assets		23,200,000
TAXATION		
1 Per Profit and Loss		
Income tax	33,201,012	26,791,492
Education Tax	6,707,275	5,358,834
	39,908,287	32,150,326
2 Per Balance sheet		
Provision for the year	39,908,287	32,150,326
Unpaid carried forward	97,708,326	65,558,000
Paid During the year	(9,129,731)	
	128,486,882	97,708,326

The provision for taxation in this account is based on the Companies Income Tax Act and Education Tax Act as amended to date.

DEFERRED TAXATION

Per profit and loss account		
Provision for the year		93,979,693
Per balance sheet		
Balance b/f	93,979,693	
Provision for the year		93,979,693
	93,979,693	93,979,693

DIVIDEND

The Directors propose a dividend of ----- (2008: 200 kobo per share) per 50 kobo Ordinary Shares payable to shareholders on the register of members at 31/7/09. The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Dividend to shareholders is accounted for on the date of declaration as they do not meet criteria of present obligation in Statement of Accounting Standards 23. The proposed dividend is subject to withholding tax at the appropriate tax rate.

		2009	2008
		=N=	=N=
CHAIRMAN AND DIRECTORS' EMOLUMENTS			
1	Emoluments:		
	Chairman	200,000	200,000
	Other Directors	5,800,000	5,800,000
		<u>6,000,000</u>	<u>6,000,000</u>
	As Directors - Fees	1,000,000	1,000,000
	Other Emoluments	5,000,000	5,000,000
		<u>6,000,000</u>	<u>6,000,000</u>
2	The number of directors excluding the chairman whose emoluments were within the following ranges were:		
	=N=		
	150,000 and above	7	7
		<u>7</u>	<u>7</u>

EMPLOYMENT AND EMPLOYEES

1	Employees remunerated at higher rates, inclusive of allowances and pension costs:		
	=N=	=N=	
	60,001	70,000	65
	70,001	80,000	10
	80,001	90,000	13
	90,001	100,000	1
	100,001	200,000	7
	200,000 and above		2
			<u>98</u>
			<u>19</u>

2 The related staff cost amounted to =N=89,532,868 (2008: N12,190,000)

POST BALANCE SHEET EVENTS

There are no significant post balance sheet events for which provision has not been made in these accounts.

COMPARATIVE FIGURES

Certain comparative figures has been restated for meaningful comparison.

APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the board of directors of the company on

BECO PETROLEUM PRODUCTS PLC
STATEMENT OF VALUE ADDED
For the year ended 31 July 2009

	2009		2008	
	=N=	%	=N=	%
Gross Income	3,995,384,089		3,397,579,000	
Payment to third parties	(3,542,010,711)		(3,050,307,000)	
	453,373,378	100	347,272,000	100
Applied as follows:				
To Pay Employees				
Salaries	89,532,868	20	12,190,000	4
To Pay Government				
Taxation	39,908,287	9	126,130,019	36
To Pay Providers of Funds				
Interest	46,000,782	10	38,466,000	11
To Provide for Development:				
Depreciation	101,121,343	22	35,611,283	10
Profit retained	176,810,098	39	135,162,698	39
	453,373,378	100	347,560,000	100

Value added is the wealth created by the efforts of the company and its employees and its allocation between employees, government, shareholders, and re-investment for the creation of future wealth.

BECO PETROLEUM PRODUCTS PLC
5-YEAR FINANCIAL SUMMARY
FOR THE ENDED 31 JULY

	2009	2008	2007	2006	2005
	=N=	=N=	=N=	=N=	=N=
ASSETS					
Fixed Assets	3,133,448,360	2,231,245,817	289,736,000	287,044,000	276,843,000
Investments	4,210,099	21,734,000	12,300,000	12,300,000	31,850,000
Stock	242,030,351	141,497,000	91,181,000	102,451,000	124,098,000
Debtors and prepayments	469,570,457	322,993,000	29,359,000	21,593,000	47,907,000
Cash and Bank	3,193,021	3,284,000	3,278,000	6,521,000	17,526,000
Total Assets	3,852,452,288	2,720,753,817	425,854,000	429,909,000	498,224,000
LIABILITIES					
Bank overdrafts and loans	308,091,743	279,707,000	75,666,000	93,310,000	120,886,000
Creditors and accruals	12,662,575	90,437,000	8,676,000	33,452,000	86,806,000
Taxation	128,486,882	97,708,326	65,558,000	53,650,000	47,582,000
Deferred tax account	93,979,693	93,979,693			
Dividend	20,000,000			15,000,000	20,000,000
Total Liabilities	563,220,893	561,832,019	149,900,000	195,412,000	275,274,000
Net Assets	3,289,231,395	2,158,921,798	275,954,000	234,497,000	222,950,000
CAPITAL AND RESERVES					
Paid-up Share Capital	1,858,488,290	10,000,000	10,000,000	10,000,000	10,000,000
Deposit for Shares		1,645,662,100	20,000,000	20,000,000	30,000,000
Share premium	954,912,309				
Bonus issue reserve		184,239,000			
Capital Reserve	183,858,000	183,858,000	46,715,000	46,715,000	46,715,000
Profit and loss account	291,972,796	135,162,698	199,239,000	157,782,000	156,035,000
Shareholders' Funds	3,289,231,395	2,158,921,798	275,954,000	234,497,000	242,750,000
PROFIT AND LOSS ACCOUNT					
Gross Income	3,995,384,089	3,397,579,000	2,796,567,000	2,341,500,000	1,826,557,000
Gross Profit	653,426,884	401,097,000	167,248,000	125,795,000	153,300,000
Profit before taxation	216,718,385	261,292,717	49,534,000	43,272,000	55,451,000
Profit after taxation	176,810,098	135,162,698	37,151,000	32,454,000	45,864,000
Dividend		20,000,000	15,000,000	15,000,000	20,000,000
Per Share data:					
Earnings per share (Kobo) - adjusted	4.76	3.64	1.00	0.87	1.23
Dividend per share (kobo)-adjusted		0.54	0.40	0.40	0.54

Earnings and dividend per share has been adjusted to number of issued share capital at 31/7/09.

MANAGEMENT INFORMATION FOR THE YEAR ENDED 31, JULY						
					2009	2008
SUMMARY OF ADMINISTRATIVE EXPENSES					=N=	=N=
Admin expenses					27,284,501	14,400,000
Household Expenses AL						1,639,000
Burial Expenses						430,000
Audit & Accountancy					5,000,000	400,000
Insurance					6,789,525	556,000
Dues and Subscriptions Exp						900,000
Legal fees					1,904,775	326,000
Medical					781,150	1,133,000
Wages Expense					49,028,586	288,000
Salaries & wages					40,504,283	11,902,000
Stationery AL					1,952,730	242,000
					133,245,549	32,216,000
SUMMARY OF SELLING EXPENSES						
Telephone Expenses					8,083,566	912,000
Union due (NUPENG)					6,245,040	2,636,000
Commission					886,500	164,000
Lighting and Heating AL					9,394,205	3,411,000
Discount Allowed						18,000
Depot loading expenses					35,282,298	2,516,000
Transportation AL					7,214,866	1,970,000
Product transport					24,308,890	4,301,000
Overtime (AL)					92,300	108,000
Office Expenses					222,280	2,587,000
Carriage Outward					48,000	431,000
Carriage inwards					5,970,270	8,405,000
Depot Expenses					55,000	390,000
Public Relations AL					9,123,656	2,089,000
Security Expenses					1,089,700	
Maintenance Expense					675,380	2,403,000
Staff welfare AL					2,797,710	651,000
Station Overhead AL					10,913,175	9,646,000
Repairs Expense					1,887,395	1,596,000
Road expenses						142,000
					124,290,231	44,376,000
Interest charges					46,000,782	38,466,000
Other bank charges					14,526,563	12,335,000
					60,527,345	50,801,000

SUMMARY OF FINANCIAL CHARGES								
Interest charges						46,000,782	38,466,000	
Other bank charges						14,526,563	12,335,000	
						60,527,345	50,801,000	

PROXY FORM

ANNUAL GENERAL MEETING TO BE HELD AT 11 A.M. ON FRIDAY, 21ST DAY OF MAY 2010 AT 4, GABARO CLOSE, VICTORIA ISLAND, LAGOS

BE IT KNOWN, that I, _____, the undersigned Shareholder of Beco Petroleum Products Plc, a Public Liability Company, hereby constitute and Appoint _____ as my true and lawful attorney and agent for me and in my name, place and stead, to vote as my proxy at the Meeting of the Shareholders of the said company, to be held on _____ or any adjournment thereof, for the transaction of any business which may legally come before the meeting, and for me and in my name, to act as fully as I could do if personally present; and I herewith revoke any other proxy heretofore given.

WITNESS my hand and seal this _____ day of _____, 2010

Signed: _____

Note: A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. All instruments of proxy duly stamped by the Commissioner of Stamp Duties in accordance with the Stamp Duties Act should be deposited with the Company Secretary or the Registrar not less than 48hours before the time for holding the meeting.