TOTAL PETROLEUM GHANA LIMITED

ANNUAL REPORT 2019

Our Core Values

Safety

Respect For Each Other

Pioneer Spirit

Stand Together

Perfomance- minded

TOTAL

total-ghana.com

ABOUT US

Total Petroleum Ghana Limited is part of the global Total group, a major energy player in the world with presence in over 130 countries.

Total's operations in Ghana started in 1951 under the name Total Oil Products Limited. Since then Total has undergone various transformations, taking over from BP Ghana Limited, then Elf Oil to TotalfinaElf following a global merger between Total and Elf and finally resulting in the incorporation of Total Petroleum Ghana Limited when Total Outre-Mer acquired Mobil in Ghana.

This progression, coupled with great respect for quality, standards, achievements and safety has propelled the Company to the forefront of the Petroleum Industry in Ghana.

Total is one of the leaders in the Oil and Gas industry and it has a strong brand image on the Ghanaian market. The Company is well represented in all the regions of the country with strategic locations in major cities and towns.

OUR VISION

Our vision includes:

- To be the number one in customer service
- To develop talent through diversity
- To have a sustainable shareholder value
- To be a good corporate citizen

OUR MISSION

The purpose of Total Petroleum Ghana Limited is to market quality petroleum products and services to its customers responsibly and safely in an innovative way to ensure that consumers continue to turn to Total as the preferred brand.

TOTAL


TOTAL
QUARTZ
ENGINE OIL
Turn your car engine into
a tireless athlete
"Choose TOTAL QUARTZ 9000 Future 0W-20"
Stephen Appiah
TOTAL
QUARTZ
9000 FUTURE GF5
FUEL ECONOMY
0W-20
5L
TOTAL
Committed to Better Energy
total-ghana.com

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Corporate Information

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Board of Directors

Samba Salfal Seye	-	Chairman
Eric Fanchini	-	Managing Director
Rexford Adomako-Bonsu	-	Member
Kofi Ampim	-	Member
Stanislas Mittelman	-	Member
John M. Ababio	-	Member
Laurette Otchere	-	Member
Alain Vedier	-	Member
Wilfried Kondé	-	Member (Appointed: 1st November, 2019)
Gerard Pruneau	-	Member (Resigned: 1st November, 2019)

Secretary

Mercy Samson
Total House
25 Liberia Road
P. O. Box 553
Accra

Registered Office

Total House
25 Liberia Road
P. O. Box 553
Accra

Solicitor

Peasah Boadu & Co.
3rd Floor, Gulf House
P. O. Box CT 3523
Cantonments - Accra

Registrar

Universal Merchant Bank Limited
123 Kwame Nkrumah Avenue
Sethi Plaza
Adabraka - Accra

Auditor

KPMG
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
P. O. Box GP 242
Accra

Bankers

Absa Bank Ghana Limited
Agricultural Development Bank Limited
Ecobank Ghana Limited
GCB Bank Limited
National Investment Bank Limited
Societe Generale Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Limited
United Bank for Africa
Universal Merchant Bank
Zenith Bank Ghana Limited

Samba Salfal Seye
Chairman

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Managing Director

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Member

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Member

Stanislas Mittelman
Member

Laurette Otchere
Member

John M. Ababio
Member

Alain Vedier
Member

Wilfried Kondé
Member

Mercy Samson
Secretary

Management Team

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Eric Fanchini
Managing Director

Henry Kamara
Finance & Accounts Manager

Frank Boamah
Health, Safety, Environment & Quality Manager

Bright Dokosi
Human Resource Manager

Ellen Sarfo Kantanka
Legal & External Affairs Manager

Laurent Gouy
Sales & Marketing Manager

Thibault Putz
Operations Manager

Henry Adzewodah
Lubricants Manager

Chairman's Statement

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Introduction

Distinguished Shareholders, Ladies and Gentlemen, it is my pleasure to welcome you all to this 44th Annual General Meeting (AGM) of Total Petroleum Ghana Limited. It is also my privilege to address and present to you the Annual Report and the Audited Financial Statements for the year ended 31 December 2019.

First of all, I hope that you and your families have been well during these trying times that have been caused by the COVID-19 pandemic. We really hope that the situation will keep improving and enable us to get back to our normal way of life soon.

At this meeting, we will review our performance for the year 2019 and at the same time present to you our plans for the future. As Directors, and on behalf of Management and Staff, we appreciate the confidence you have in us to steer the affairs of your Company. We remain committed to ensuring continuous growth of the Company and the delivery of returns on your investment.

Samba Salfal Seye
Chairman

Review of Economic Environment

In 2019, the macroeconomic indicators of the Ghanaian economy continued to provide a positive outlook with an annual growth rate of 6.6% and an annual average inflation rate of 9.4% (source: IMF). Interest rates on borrowing showed a declining trend after the Bank of Ghana reduced the Ghana Reference Rate.

However, the evolution of the Ghanaian Cedi remained a watch-point. The Cedi depreciated by 15% against the US dollar, which partly contributed to the rise in petroleum and other commodity prices during the year.

Financial and Operational Performance

The Group recorded a 59% growth in net profit for the year 2019, a performance attributed to the efforts and action plans set by Management and the Board of Directors. The consolidated profit after tax for 2019 amounted to GH¢68.78 million compared to GH¢43.27 million in 2018, while Company's profit after tax amounted to GH¢69.34 million compared to GH¢50.36 million in 2018.

The Group's basic earnings per share increased from GH¢0.42 in 2018 to GH¢0.62 in 2019.

The Company remained steadfast through its continued investments, in line with the strategy to develop our core activities and to take advantage of business opportunities for sustained future growth. Key investments in the year included the construction of new stations and revamping of existing ones nationwide.

The Company received the following recognition for its outstanding performance and contribution to the economy in 2019.

- Petroleum Company of the year - Chartered Institute of Marketing Ghana
- 7th Best Company of the year - Ghana Club 100 Awards
- Lubricant Product of the year and Brand of the year - Ghana Oil & Gas Awards
- Off-Grid Energy Solution of the year - Ghana Energy Awards 2019

Dividend

In October 2019, the Board approved the payment of an interim dividend of GH¢7.76 million, representing GH¢0.0694 per share, which was paid to Shareholders in December 2019.

At this meeting, the Board will be recommending a final dividend of GH¢9.45 million representing GH¢0.0845 per share in respect of the year ended 31st December, 2019, to be paid to Shareholders, which will culminate in a total dividend of GH¢17.22 million representing GH¢0.1539 per share for the year 2019. This represents 25% of the Company's net profit after tax. The Dividend will be payable to Shareholders by the end of August subject to withholding tax where applicable.

Board Changes

There have been some changes in the membership of the Board since our last meeting. Mr. Gerard Pruneau resigned from the Board to take up a new assignment within the

Total Group. The Board appointed Mr. Wilfried Konde as his replacement on 1st November 2019. On behalf of the Board of Directors and the Shareholders, I would like to thank Mr. Gerard Pruneau for his contribution to the growth and development of the Company's business during his tenure of almost eight years on the Board. We wish him well in his new assignment.

At this Annual General Meeting, the Board will be seeking from the Shareholders, the ratification of the appointment of Mr. Wilfried Konde to the Board. On behalf of the Directors and Shareholders, I welcome Mr. Konde to the Board and we look forward to working with him to contribute to the growth of the business. Mr. Konde's profile has been provided to you on page 8 of the Annual Report.

At this meeting, the Board is also recommending three (3) of our Directors namely, Mr. John Mawuli Ababio, Mr. Rexford Adomako-Bonsu and myself, Mr. Samba Salfal Seye for re-election. Each of us is due to retire by rotation at this meeting and we have each expressed our willingness to continue in office.

Corporate Governance

In accordance with good corporate governance principles, we continued to maintain a strong internal control environment within the Company. Staff and business partners are required to ensure strict adherence to the Company Policies and Procedures, the Code of Conduct and Statutory Requirements. The Company continues to uphold good business ethics and has a zero tolerance for unethical behaviour.

Regular Audit Committee meetings were held during the year to assess the level of adherence to internal controls, to consider and review risk mapping updates as well as business performance. These meetings were chaired by a non-executive Board Member and were also attended by other non-executive Board members and the Managing Director.

Overall, the Board is satisfied that there are adequate and robust internal control systems in place to manage the Company's business risks in the various segments.

Health, Safety, Environment and Quality

Health, Safety, Environment and Quality remain a key focus for the Company and indeed, the Group. As some of you may be aware, your Company has been ISO-9001:2015 certified since 2005.

As a Company involved in the distribution of petroleum products, Health, Safety and Quality are core values for us. We are focused on ensuring a safe and healthy workplace for our employees and service providers and are committed to managing our activities to protect our host communities.

One of the Company's fundamental approach to safety is within the framework of 'ONE MAESTRO', which means 'Management and Expectation Standards Towards Robust Operations'. This identifies the behavioural requirements at all levels of the Company to build and sustain an effective safety culture. The Company and its contractors are committed to ensuring that the requirements of the framework are fully met.

In May 2019, the Company was awarded the maximum score of 5/5 in the Transport Management System (SMT) evaluation by the Group. I would like to thank the transport team of the Company, and indeed our transporters, for this important achievement.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) initiatives are an integral part of the Company's core business. The Company seeks to ensure that its operations have a positive impact on all aspects of society, including economic, social and environmental. The Company's CSR activities focus on Entrepreneurship, Education and Youth Support, Environment, Health, Road Safety, Access to Energy and Sports.

Some highlights of the Company's CSR activities in 2019 were:

- **Startupper of the Year by Total Challenge**

  This is an ongoing initiative that is aimed at giving assistance to creative and innovative young entrepreneurs to promote their projects. A student of the University of Science & Technology emerged as the first woman to win the ultimate prize at the second edition event held in March 2019.

- **Total Young Dealer Scheme**

  For several years, the promotion of local talents has been very successful through the Total Young Dealer Scheme on the Company's station network. The scheme is an opportunity given to the Company's Service Station attendants who exhibit leadership and business talent to become Service Station Dealers.

- **Young Graduate Programme**

  This programme targets fresh university graduates and seeks to develop the Ghanaian youth through training and capacity building. For the past 3 years, the Company has successfully developed twelve (12) Ghanaian young graduates through this initiative.

  This is an innovative eighteen (18) month training program which consists of a six (6) month local contract with the Company and a further twelve (12) month international contract with another Total affiliate, either within Africa or at the Head office in Paris.

- **IRecycle Project**

  The Project is a collaboration with Voltic Ghana Limited and Coliba Ghana Limited to effectively manage plastic waste collected within Accra and Tema Metropolis. The initiative exemplifies the commitment of the Company towards environmental protection. The Company provided selected Service Stations at strategic locations with recycle bins.

  In addition, the Company provided fuel for the usage by the tricycles which collected the plastic waste from these bins for recycling.

- **Road Safety Cube**

  This programme, organized in collaboration with the National Road Safety Commission (NRSC) and Global Road Safety Partnership, is the Company's annual flagship programme aimed at creating and reinforcing road safety awareness amongst school children and teachers especially in high-risk areas.

Outlook

The outbreak of COVID-19 and the necessary containment measures, which include travel bans, quarantines, and social distancing protocols, have resulted in disruption of business and economic activity world-wide. As at the date of approval of the financial statements by the Directors, your Company Total Petroleum Ghana Limited continues to operate as normal. The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore we cannot currently evaluate the full impact it may have on the Company's future operations. The Company will however continue to be vigilant in all aspects of its business and will endeavour to put in place the necessary measures to mitigate any negative impact.

The Company stands for innovation. In our bid to give back to our Ghanaian stakeholders, we make this a priority in our Product & Service conception and delivery with the aim of offering value to our esteemed customers. In 2018, the Company was the first to solarize its network stations and currently boasts of thirteen (13) service stations on solar energy power. This Project is part of the Company's overall plan to modernize its network and our ambition is to solarize at least 50% of our retail outlets within the next five (5) years.

Over the years, we have consistently researched and delivered unto the market top notch products like Excellium fuels loaded with high efficiency additives, Total Quartz lubricants, Total Cards & Car Care products. We are excited that the quality of these products as well as the professionalism in our service delivery receive high patronage from loyal customers.

The Company continues to perform well despite the loss of fuel volumes in the mining business as a result of the third edition of Procurement list 2018 issued by the Minerals Commission which allows only fully-owned Ghanaian companies to supply fuel to the mining sector.

Acknowledgement

The Company owes its success to its staff who work tirelessly, its dedicated business partners and its loyal Ghanaian customers who have continued to make our brand their preferred choice. You have all made us proud and we are grateful to each and every one of you for your commitment to our business relationships.

On behalf of the Board of Directors, I would like to express my gratitude to the Management, employees, customers and other stakeholders for their continued support. Their loyalty to the Company in many ways contributed to the Company achieving its objectives for 2019.

Finally, I would like to thank the Board of Directors for their unflinching support and commitment in providing strategic leadership which has enabled the Company to remain a major player in the petroleum industry in Ghana.

Once again, thank you very much for your attention and for your participation in this meeting.

Until we meet again, stay safe and kindly continue to adhere to all COVID-19 protocols issued by the Health Authorities.

Samba Salfal Seye
Chairman

Profile of New Director To Be Elected

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Mr. Wilfried Kondé

Mr. Wilfried Kondé is an Ivorian National who is a graduate of the University of Abidjan in Ivory Coast. He began his career at Total in 1999 as an Internal Auditor for the Africa region, based in Ivory Coast. He joined the Total African Division at the Total headquarters in Paris in 2001 to work in the Governance and Affiliates' Assistance Team. In 2003, he became the Finance Director in Uganda, and in 2006, he was appointed Administrative and Finance Director of Total Madagasikara. In 2009, he moved to the Refining & Marketing Finance Department at the Head Office to serve as Financial Controller. He subsequently held the position of Executive Director for Finance at Total Nigeria Plc, from 2012 to 2016 before joining Total Marketing France, where he served for three years as Vice President Corporate Affairs.

In 2019, Mr. Konde was appointed Vice President, Finance & Corporate Affairs in the Africa Division of Total Marketing and Services.

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of the Shareholders of Total Petroleum Ghana Limited will be held **VIRTUALLY and streamed live by video link** from the Head office of Total Petroleum Ghana Limited on **Wednesday,15th July, 2020 at 11:00am** to transact the following business:

AGENDA

ORDINARY RESOLUTIONS

1. To receive and adopt the Reports of the Directors, Auditor and the Financial Statements of the Company for the year ended 31st December, 2019.
2. To declare Final Dividend in respect of the year ended 31st December, 2019.
3. To ratify the appointment of a Director.
4. To re-elect Directors retiring by rotation.
5. To fix the remuneration of the Directors.
6. To confirm the remuneration of the Auditors for the year ended 31st December, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

SPECIAL RESOLUTIONS

1. To Authorise the Company to effect all changes in the Company's Regulations/Constitution to make it compliant with the new Companies Act 2019 (Act 992).
2. To change the name of the Company from Total Petroleum Ghana Limited to Total Petroleum Ghana Public Limited Company (PLC) in Compliance with the new Companies Act 2019 (Act 992).
3. To amend the Company's Regulations/Constitution to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.

Dated this 27th day of March, 2020

By Order of the Board

MERCY SAMSON (MRS.)

SECRETARY

Note:

i. In compliance with the current restrictions on public gatherings in force pursuant to the imposition of Restrictions Act, 2020 (Act 1012) and consequent Regulatory Directives, attendance and participation by all members and/or their proxies in this year's Annual General Meeting of the Company shall be strictly virtual (i.e. by online participation).

ii. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company.

iii. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates on line), the proxy appointment shall be deemed to be revoked.

iv. A copy of the Form of Proxy can be downloaded from http://totalghana-agm.com/ and may be filled and sent via email to : REGISTRARS@MYUMBBANK.COM or deposited at the registered office of the Registrar of the Company, UMB, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra, or posted to the Registrar at P. O. Box GP401, Accra to arrive **no later than 48 hours before the appointed time for the meeting.**

v. The 2019 Audited Financial Statements can be viewed by visiting http://totalghana-agm.com/.

Accessing and Voting at the Virtual AGM

vi. A **unique token number** will be sent to shareholders by email and/or SMS from **23rd June, 2020** to give them access to the meeting. Shareholders who do not receive this token can contact EMMANUEL AMOAH ODUM on REGISTRARS@MYUMBBANK.COM **or call** 0302 220952 / 0302226112 any time after 23rd June, 2020 but before the date of the AGM to be sent the unique token.

vii. **To gain access to the Virtual AGM,** shareholders must visit http://totalghana-agm.com/ and input their unique token number on Wednesday, 15th July 2020. Access to the meeting will start from 8.00am. For shareholders who do not submit proxy forms to the Registrar of the Company prior to the meeting they may vote electronically during the Virtual AGM again using their unique token number. Further assistance on accessing the meeting and voting electronically can be found on **http://totalghana-agm.com/**

For further information, please contact the Registrar:

Universal Merchant Bank Limited,

123 Kwame Nkrumah Avenue,

Sethi Plaza, Adabraka,

Accra.

Directors' responsibility statement

The Directors are responsible for the preparation of consolidated ("Group") and separate ("Company") financial statements that give a true and fair view of Total Petroleum Ghana Limited, comprising the statements of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the Report of the Directors.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Group and Company to continue as going concerns. Refer to the going concern consideration below.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework and relevant laws.

Principal activity

The principal activity of the Group is the marketing and sale of petroleum and allied products. There was no change in the nature of business of the Group during the year.

Objectives of the Company

The purpose of the Company is to market quality petroleum products and services to its customers responsibly, and profitably and in an innovative way.

Holding Company

The Company is a subsidiary of Total Outre-Mer SA, a company incorporated in France. The ultimate parent company is Total S.A, a company incorporated in France.

Subsidiary Company

The Company has 55% shareholding in Ghanstock Limited, a company incorporated in Ghana and registered to build, own, operate and maintain petroleum storage facilities.

Associate Companies;

Ghana Bunkering Services Limited

The Company has 48.5% shareholding in Ghana Bunkering Services Limited, a company incorporated in Ghana to provide bunkering services to petroleum marketers in Ghana.

Road Safety Limited

The Company has 50% shareholding in Road Safety Limited, a company incorporated in Ghana to provide driver education and maintenance services for vehicles used in haulage of petroleum products.

Five year financial highlights

Group	**2019**	**2018**	**2017**	**2016**	**2015**
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Revenue	2,628,610	2,381,106	1,858,478	1,661,615	1,793,752
Profit before tax	93,595	60,869	45,547	37,283	60,359
Profit after tax	68,782	43,265	32,632	23,402	46,718
Basic and diluted earnings per share (GH¢ per share)	0.6230	0.4211	0.3117	0.2706	0.4184

Company	2019	2018	2017	2016	2015
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Revenue	2,618,817	2,370,975	1,848,493	1,652,250	1,793,752
Profit before tax	94,152	67,968	49,110	52,158	59,590
Profit after tax	69,339	50,364	36,195	38,277	45,212
Basic and diluted earnings per share (GH¢ per share)	0.6198	0.4502	0.3235	0.3421	0.4041

Financial statements and dividend

The state of affairs of the Group and Company for the year ended 31 December 2019 are set out below:

	Group	Company
	GH¢'000	GH¢'000
Profit before tax	93,595	94,152
Profit after tax	68,782	69,339
Total assets	879,627	809,369
Total liabilities	627,594	550,392
Total equity	252,033	258,977

The Directors recommend the payment of a final dividend of GH¢0.0845 per share, amounting to GH¢9,453,359 for the 2019 financial year. This brings the total dividend for the financial year to GH¢0.1539 per share, amounting to GH¢17,217,420 (2018: GH¢0.1399 per share, amounting to GH¢ 15,651,183).

The Directors consider the state of the Group and Company's affairs to be satisfactory.

Going concern consideration

The Group's current liabilities exceeded its current assets by GH¢124,397,000 (2018: GH¢138,244,000) at year ended 31 December 2019. As at that date, the Company's current liabilities also exceeded its current assets by GH¢101,222,000 (2018: GH¢112,371,000). The Group and Company have revolving credit lines with its banks. The Directors have negotiated and successfully renewed the overdraft facilities with its bankers. Both the Group and Company have a history of profitability and continue to remain profitable. The Directors believe that the Group and Company will be able to realise its assets and settle its liabilities in the ordinary course of business.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that cash flows arising from the normal course of business will be available to finance future operations of both the Group and Company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

Particulars of entries in the Interests Register during the financial year

No Director had any interest in contracts and proposed contracts with the Group and Company during the year under review, hence there were no entries recorded in the Interests Register as required by sections 194(6),195(1)(a) and 196 of the Companies Act 2019, (Act 992).

Related party transactions

Information regarding Directors' interests in the ordinary shares of the Group and Company and remuneration is disclosed in note 25 to the financial statements. No Director has any other interest in any shares or loan stock of any Group company. Other than service contracts, no Director had a material interest in any contract to which any Group company was a party during the year. Related party transactions and balances are also disclosed in note 25 to the financial statements.

Audit Committee

The Board Audit Committee comprises at least three Directors and is headed by an independent, Non-Executive Director. In selecting the members of the Committee, the Board pays particular attention to their financial and accounting qualifications and experience. The principal responsibilities of the Committee include reviewing financial reports, internal audit reports, management letters and other information it requests to be tabled. The Committee holds at least three formal meetings each year, which are also attended by the external auditors. The Committee at its request may meet with the Managing Director, perform inspections and interview managers of the Company at any time it deems appropriate.

Auditor

The Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of the Group and Company for 14 years.

Audit fees

The audit fees for the year ended 31 December 2019 for the Group was GH¢378,000 and GH¢238,000 for the Company.

Board of Directors

Profile		
Non-executive	**Qualification**	**Outside board and management position**
Mr. Samba Salfal Seye	PhD. Engineering: Fluid Mechanics	Executive Vice President, Total Marketing & Services, West Africa.
Mr. Kofi Ampim	Masters Degree in International Business	Chairman, Societe General Bank Limited, Belstar Development Limited, Chairman, Allianz Life Insurance Co. Ghana Ltd.
Mr. Rexford Adomako-Bonsu	Bsc. Econs, M.A. Econs, MBA (Finance and International business)	Executive Chairman, Worldwide Investments Co. Limited, Ghana Chairman of the Board, General Business - Alliance Insurance Company Ghana Limited.
Mr. Stanislas Mittelman	Masters Degree	Senior Vice-President, Total Marketing and Services, Africa Division.
Mr.Wilfried Kondé	Masters Degree in Law	Vice President, Finance & Corporate Affairs, Africa Division of Total Marketing & Services.
Mr. John M.Ababio	Masters Degree in International Business and Economic Development	Vice Chairman/Senior Partner - PCM Capital Advisors, Ghana.
Mrs. Laurette Korkor Otchere (Esq.)	Juris Doctorate Degree	Deputy Director-General, SSNIT, Ghana.
Mr. Alain Vedier	LLB, LLM	Head of Governance & Financial Control, Total Head Office, Paris – France.
Executive		
Mr. Eric Fanchini	Masters Degree in Marketing & International Studies	Director of Ghanstock Limited, Tema Lube Oil Company Limited, Road Safety Limited, Ghana Bunkering Services Limited.

Biographical information of directors	
Age category	**Number of directors**
Up to – 40 years	-
41 – 60 years	7
Above 60 years	2

Role of the Board

The Directors are responsible for the long term success of the Group and Company, determine the strategic direction of the Group and Company and review operating, financial and risk performance. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Group and Company's annual business plan, the Group and Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Group and Company's dividend policy, transactions involving the issue or purchase of Group and Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Group and Company, and the scope of delegations to Board Committees, subsidiary boards and the management committee.

The responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a Management Committee, which as at the date of this report includes one Executive Director and seven Senior Managers.

Internal control systems

The Directors are responsible for the Group and Company's system of internal control, and for the ongoing review of its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. It can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Audit Committee assists the Board in discharging its review responsibilities. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial and operational risks identified by the Group and Company as at the reporting date and no significant failings or weaknesses were identified during this review.

Implementation of the Board's directives is delegated through a Management Committee, which comprises the Managing Director and all Heads of Departments. The Management structure has a clear framework and is governed by precise organisational procedures, in which all staff is specifically trained and which have built-in checks and controls.

Directors' performance evaluation

In line with the Group and Company's policy, a performance evaluation review is undertaken of the Board, its Committees and the Directors individually on an annual basis. The evaluation is conducted by the Board Chairman. The results of the evaluation is shared with all members of the Board. Overall, it was noted that the Board of Directors and its Committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

Professional development and training

A comprehensive induction programme is in place for all new directors which takes into account their previous experience, background and role on the board and is designed to further their knowledge and understanding of the Group and Company and their associated role and responsibilities. All new Directors are provided with key Board, operational and financial information; attend meetings with other members of the Board and senior management; receive briefings and, where necessary, meet Total Petroleum Ghana Limited's major shareholders. Where a new Director is to serve on a Board committee, induction material relevant to the committee is also provided. The Company Secretary assists the Chairman in the co-ordination of induction and ongoing training.

Conflict of interest

The Group and Company have established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

Board balance and independence

The composition of the Board of Directors and its Committee is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The continuing independent and objective judgement of the non-Executive Directors has been confirmed by the Board of Directors.

Corporate Social Responsibility and Code of Conduct

A total of GH¢649,977 was spent on Corporate Social Responsibly, with key focus on safety, education, health, entrepreneurship and others. Corporate Social Responsibility activities and extract of the Code of Conduct can be found in Appendix 2 and pages 80 to 81 respectively.

The Group and Company reject fraud and corruption in all its forms and has a robust compliance policy. The Group and Company have an Ethics Officer as well as a Compliance Officer with specific mandates to spearhead efforts towards mitigating compliance risks both internally and with third parties with direct dealings with the Group and Company. There are specific guidelines in relation to non-compliance incidents reporting, creating awareness and enforcing compliance. The Group and Company also conduct both e-learning training as well as awareness seminars and workshops targeting all employees.

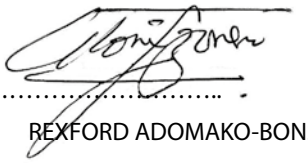
Approval of the report of the directors

The report of the Directors was approved by the Board of Directors on 27 March 2020 and signed on their behalf by;

……

ERIC FANCHINI

DIRECTOR



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REXFORD ADOMAKO-BONSU

DIRECTOR

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Total Petroleum Ghana Limited ("the Group and Company"), which comprise the statements of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 20 to 76.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 31 December 2019, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Allowance on Trade Receivables

Refer to Note 17 to the consolidated and separate financial statements

The key audit matter	How the matter was addressed in our audit
The Group and Company have significant trade receivables with customers in the energy and natural resources industry and other dealer-owned-dealer-operated customers, mostly in the small and medium enterprise scale who are prone to high risk. The existence and recoverability of outstanding amounts from some customers may be in doubt. Given the significance of the trade and other receivables balance and the high degree of estimation of the impairment allowance, we consider impairment allowance of trade and other receivables to be a key audit matter.	Our principal audit procedures included the following: • Tested the design, implementation and operating effectiveness of the key controls over financial reporting related to the receivables collection processes. We focused on controls over: the recording of credit sales transactions and approval of credit limits; • Evaluated the reasonableness of management's key judgements in estimating the expected credit loss (ECLs)/impairment allowance, including selection and application of methods, models, assumptions and data sources; • Assessed the completeness, and accuracy of data used for the ECL computation; • Tested the adequacy of impairment allowance (which was based on the expected credit loss (ECL)) made against trade receivables by assessing management's assumptions and reviewing relevant input data; and

Impairment Allowance on Trade Receivables Refer to Note 17 to the consolidated and separate financial statements	
The key audit matter	**How the matter was addressed in our audit**
	• Evaluated the adequacy of disclosures for impairment allowance in accordance with the requirement of IFRS 9 and evaluated the accounting policies and notes in relation to trade and other receivables.

Revenue Refer to Note 6 to the consolidated and separate financial statements	
The key audit matter	**How the matter was addressed in our audit**
Revenue is an important measure in terms of business performance and represents a significant item in the Group and Company's consolidated and separate statement of profit or loss. The Group and Company have multiple streams of revenue from sale of petroleum products. These products are sold to customers based on negotiated prices resulting in different trading terms for a large number of customers. Revenue is recognised for each transaction based on the negotiated prices. Given that revenue is an important measure to both Group and Company's performance targets, there's the likelihood to manipulate this measure to achieve a better financial performance. On account of the above, we consider revenue recognition as a key audit matter.	Our principal audit procedures included the following: • Evaluated the design and implementation and tested the operating effectiveness of key controls over the revenue recognition process. We focused on controls over: system access to initiate, process, authorise and record sales transactions; authorization of master price list and system configuration of invoices; • Reviewed management's assessment of the impact of IFRS 15-Revenue from contracts with customers; • Tested for fictitious sales by using Computer Assisted Audit Techniques to test for duplicate invoices; • Performed substantive analytical procedures, by computing an expected sale amount and comparing to the recorded sales and investigating any significant variance; • Assessed whether sales transactions posted before and after the balance sheet date as well as credit notes issued after year end were recognised in the correct period; • For a sample of sales transactions that had been selected, we traced the transactions back to source documents to ensure that the transactions actually occurred and the amounts were accurate; • Assessed the appropriateness of discounts applied to transactions by reviewing credit authorisation forms and re-computing discounts on significant transactions; and • Evaluated the adequacy of the accounting policies and disclosures on revenue recognition in the consolidated and separate financial statements in accordance with the applicable financial reporting framework.

Other Information

The Directors are responsible for the other information. The other information comprise the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information which we obtained prior to the date of the auditor's report and the Chairman's Statement which is expected to be made available to us after that date, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group and Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and profit or loss and other comprehensive income are in agreement with the accounting records and returns.

We are independent of the Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is Labaran Amidu (ICAG/P/1472).

KPMG

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For and on behalf of:
KPMG: (ICAG/F/2020/038)
CHARTERED ACCOUNTANTS 13 YIYIWA DRIVE,
ABELENKPE
P. O. BOX GP 242
ACCRA

29th April, 2020

Statements of Financial Position

As at 31 December 2019

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Assets	Note	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Property, plant and equipment	12(a)	360,687	314,724	283,068	255,878
Right-of-use-assets	35(a)	73,096	-	73,096	-
Intangible assets and goodwill	13	13,114	13,021	13,036	12,966
Investment in associates	15(a)	3,451	3,475	12	12
Leasehold prepayments	14	-	5,579	-	5,579
Long term leases	26	-	52,775	-	52,775
Long term prepayments	36	1,725	-	1,725	-
Investment in subsidiary	15(b)	-	-	3,274	4,774
Related party loan	25	-	-	1,573	-
Total non-current assets		**452,073**	**389,574**	**375,784**	**331,984**
Inventories	16	73,233	79,720	72,754	79,368
Current tax assets	10(ii)	15,777	15,128	15,777	15,128
Trade and other receivables	17	288,749	297,802	287,657	296,639
Amounts due from related companies	25	1,686	7,606	9,683	13,446
Cash and cash equivalents	18	47,581	55,095	47,186	54,765
		427,026	**455,351**	**433,057**	**459,346**
Assets held for sale	12(b)	528	528	528	528
Total current assets		**427,554**	**455,879**	**433,585**	**459,874**
Total assets		**879,627**	**845,453**	**809,369**	**791,858**
Equity					
Stated capital	19(a)	51,222	51,222	51,222	51,222
Retained earnings		198,636	145,295	207,755	154,772
Foreign currency translation reserve		5,375	-	-	-
Non-controlling interest	33	(3,200)	(6,682)	-	-
Total equity		**252,033**	**189,835**	**258,977**	**205,994**
Liabilities					
Lease liabilities	35(b)	5,571	-	5,571	-
Bank overdraft	18	67,348	75,585	67,348	75,585
Loans and borrowings	22	11,940	19,203	5,188	5,357
Trade and other payables	21	402,211	413,434	399,688	410,795
Amount due to related companies	25	64,881	85,901	57,012	80,508
Total current liabilities		**551,951**	**594,123**	**534,807**	**572,245**
Lease liabilities	35(b)	7,524	-	7,524	-
Loans and borrowings	22	61,308	54,126	1,250	6,250
Deferred tax liabilities	11	719	2,056	719	2,056
Provisions	23	6,092	5,313	6,092	5,313
Total non-current liabilities		**75,643**	**61,495**	**15,585**	**13,619**
Total liabilities		**627,594**	**655,618**	**550,392**	**585,864**
Total liabilities and equity		**879,627**	**845,453**	**809,369**	**791,858**

These financial statements were approved by the Board of Directors on 27 March 2020 and signed on their behalf by:

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ERIC FANCHINI
DIRECTOR

.....
REXFOD ADOMAKO-BONSU
DIRECTOR

The notes on page 24 to 76 form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2019

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	Note	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Revenue	6	2,628,610	2,381,106	2,618,817	2,370,975
Cost of sales	8	(2,346,176)	(2,156,637)	(2,341,699)	(2,151,974)
Gross profit		282,434	224,469	277,118	219,001
Other income	7	20,524	20,283	20,012	20,279
Impairment loss on trade receivables	24(ii)	(2,444)	(6,058)	(2,444)	(6,058)
General, administrative and selling expense	8	(186,778)	(158,182)	(185,284)	(150,370)
Operating profit before financing costs/ income		113,736	80,512	109,402	82,852
Finance income	32	449	651	449	651
Finance costs	32	(20,566)	(20,243)	(15,699)	(15,535)
Share of loss from associate, net of tax	15(a)	(24)	(51)	-	-
Profit before taxation		93,595	60,869	94,152	67,968
Income tax expense	10(i)	(24,813)	(17,604)	(24,813)	(17,604)
Profit for the year		68,782	43,265	69,339	50,364
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		9,772	-	-	-
Income tax on other comprehensive income		-	-	-	-
Other comprehensive income for the year		9,772	-	-	-
Total comprehensive income		**78,554**	**43,265**	**69,339**	**50,364**
Profit attributable to:					
Owners of the company		69,697	47,112	-	-
Non-controlling interest	33	(915)	(3,847)	-	-
Total comprehensive income attributed to:					
Owners of the company		75,072	47,112	-	-
Non-controlling interest		3,482	(3,847)	-	-
Earnings per share:					
Basic earnings per share (Ghana cedi per share)	20	0.6230	0.4211	0.6198	0.4502
Diluted earnings per share (Ghana cedi per share)	20	0.6230	0.4211	0.6198	0.4502

The notes on page 24 to 76 form an integral part of these financial statements.

Statements of Changes In Equity

For The Year Ended 31 December 2019

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Group	Stated Capital GH¢'000	Retained Earnings GH¢'000	Foreign Currency Translation Reserve GH¢'000	Non-Controlling Interest GH¢'000	Total Equity GH¢'000
Balance at 1 January 2019	51,222	145,295	-	(6,682)	189,835
Total comprehensive income for the year					
Profit for the year	-	69,697	-	(915)	68,782
Exchange differences on translation of foreign operations	-	-	5,375	4,397	9,772
Total comprehensive income for the year	-	69,697	5,375	3,482	78,554
Transaction with equity holders					
Dividends	-	(16,356)	-	-	(16,356)
Total transactions with equity holders	-	(16,356)	-	-	(16,356)
Balance at 31 December 2019	**51,222**	**198,636**	**5,375**	**(3,200)**	**252,033**
Balance at 1 January 2018	51,222	113,085	-	(2,835)	161,472
Total comprehensive income for the year					
Profit for the year	-	47,112		(3,847)	43,265
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	47,112	-	(3,847)	43,265
Transaction with equity holders					
Dividends	-	(14,902)	-	-	(14,902)
Total transactions with equity holders	-	(14,902)	-	-	(14,902)
Balance at 31 December 2018	**51,222**	**145,295**	**-**	**(6,682)**	**189,835**

Company	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2019	51,222	154,772	205,994
Total comprehensive income for the year			
Profit for the year	-	69,339	69,339
Total comprehensive income for the year	-	69,339	69,339
Transaction with equity holders			
Dividends	-	(16,356)	(16,356)
Total transactions with equity holders	-	(16,356)	(16,356)
Balance at 31 December 2019	**51,222**	**207,755**	**258,977**
Balance at 1 January 2018	51,222	119,310	170,532
Total comprehensive income for the year			
Profit for the year	-	50,364	50,364
Total comprehensive income for the year	-	50,364	50,364
Transaction with equity holders			
Dividends	-	(14,902)	(14,902)
Total transactions with equity holders	-	(14,902)	(14,902)
Balance at 31 December 2018	**51,222**	**154,772**	**205,994**

The notes on page 24 to 76 form an integral part of these financial statements.

Statements of Cash Flows

For The Year Ended 31 December 2019

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	Note	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Cash flows from operating activities					
Profit after taxation		68,782	43,265	69,339	50,364
Adjustments for:					
Foreign exchange (gains)/loss		(2,956)	5,536	(1,102)	228
Depreciation of property, plant and equipment	12(a)	39,089	33,944	33,673	28,632
Depreciation of right-of-use-assets	35(a)	10,121	-	10,121	-
Amortisation of leasehold prepayment	14	249	328	249	328
Amortisation of intangible assets	13(a)	256	199	238	172
Amortisation of long term lease	26	176	1,313	176	1,313
Impairment loss on trade receivables	24(ii)	2,444	6,058	2,444	6,058
Inventory provision	16	4,202	1,553	4,202	1,553
Interest income	32	(449)	(651)	(449)	(651)
Net provision expense	23	779	-	779	-
Interest expense	32	20,566	20,243	15,699	15,535
Tax expense	10(i)	24,813	17,604	24,813	17,604
Profit on disposal of property, plant and equipment	12(a) i	(793)	(139)	(793)	(139)
Write off of property, plant and equipment	12(a) ii	-	789	-	789
Impairment of subsidiary	15(b)	-	-	1,500	1,500
Share of loss from associate	15(a)	24	51	-	-
		167,303	130,093	160,889	123,286
Change in inventories		2,412	1,105	2,412	1,105
Change in trade and other receivables		1,367	(79,868)	1,154	(80,795)
Change in trade and other payables		(13,781)	83,179	(11,377)	83,902
Change in related companies		(12,960)	3,541	(19,693)	1,763
Cash generated from operations		144,341	138,050	133,385	129,261
Interest received	32	449	651	449	651
Interest paid		(19,054)	(19,746)	(14,050)	(15,178)
Income taxes paid	10(ii)	(26,799)	(17,404)	(26,799)	(17,404)
Net cash flow from operating activities		**98,937**	**101,551**	**92,985**	**97,330**
Cash flows from investing activities					
Purchase of property, plant and equipment	12(a)	(61,491)	(45,115)	(60,575)	(45,012)
Purchase of software	13(a)	(308)	(22)	(308)	(22)
Proceeds from sale of plant and equipment	12(a) i	1,601	889	1,601	889
Payment for leasehold premium	14	-	(4,455)	-	(4,455)
Related party loan		-	-	(1,441)	-
Principal payment for long term leases contracted	26	-	(15,416)	-	(15,416)
Long term prepayments	36	(354)	-	(354)	-
Net cash flow used in investing activities		**(60,552)**	**(64,119)**	**(61,077)**	**(64,016)**
Cash flows from financing activities					
Dividend paid	19(b)	(16,356)	(14,902)	(16,356)	(14,902)
Proceeds from loans	22(b)	-	15,000	-	15,000
Payments for loans	22(b)	(10,762)	(8,963)	(5,000)	(3,750)
Principal elements of lease payments		(10,715)	-	(10,715)	-
Net cash flow used in financing activities		(37,833)	(8,865)	(32,071)	(3,652)
Net increase/(decrease) in cash and cash equivalents		**552**	**28,567**	**(163)**	**29,662**
Cash and Cash equivalent at 1 January (Note 18)		(20,490)	(49,239)	(20,820)	(50,587)
Net increase/(decrease) in cash and cash equivalents		552	28,567	(163)	29,662
Effect of foreign exchange fluctuation on cash held		171	182	821	105
Cash and cash equivalents at 31 December (Note 18)		**(19,767)**	**(20,490)**	**(20,162)**	**(20,820)**

The notes on page 24 to 76 form an integral part of these financial statements.

1. Reporting entity

Total Petroleum Ghana Limited ("the Company") is a company registered and domiciled in Ghana. The address of the Company's registered office is Total House, 25 Liberia Road, Accra. The Company is authorised to carry on the business of marketing petroleum and allied products. The financial statements of the Company as at and for the year ended 31 December 2019 comprise the separate financial statements and the consolidated financial statements of the Company and its subsidiary, (together referred to as the 'Group') and the Group's interest in associate. The separate financial statements as at and for the year ended 31 December 2019 comprise the financial statements of the Company.

Total Petroleum Ghana Limited is listed on the Ghana Stock Exchange.

2. Basis of accounting

a. Statement of compliance

The consolidated and separate financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992).

The Company was in compliance with the requirements of the Companies Act, 1973 (Act 179) until it was replaced with a new Companies Act, 2019 (Act 992) on 2 August 2019.

This is the first set of the Group and Company's annual financial statements in which IFRS 16 Leases has been applied. The application of this new accounting standard resulted in changes to accounting policies which are described in Note 3.3.

b. Basis of measurement

These financial statements have been prepared under the historical cost convention.

c. Functional and presentation currency

These financial statements are presented in Ghana cedis (GH¢) which is the Company's functional currency. All financial information presented in Ghana cedi has been rounded to the nearest thousand, unless otherwise indicated.

d. Use of estimates and judgement

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group and Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying the accounting policies that have the most significant effects on the amounts recognised in these financial statements is included in the following notes:

- Notes 35 – lease term: whether the Group and Company are reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 4 – determination of fair values
- Note 11 – recognition of deferred tax assets
- Note 15(b) –-impairment test of investment in subsidiary: key assumptions underlying recoverable amount
- Note 23 - measurement of defined benefit obligation: key assumptions
- Note 24(ii) – measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions about the likelihood and magnitude of an outflow of resources.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except if mentioned otherwise. All accounting policies relate to both Group and Company.

3. 1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date - i.e. when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they relate to the issue of debt or equity securities.

The consideration transferred does not include amounts that relate to the settlement of pre-existing relationships, such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The financial statements of the subsidiary used to prepare the consolidated financial statements were prepared as of the Company's reporting date.

(ii) Non controlling interests

Non controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Investment in subsidiaries are measured at cost less any impairments in the separate financial statements of the Company.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Interests in equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associates are accounted for using the equity method.

They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence ceases.

In the separate financial statements, investment in associates are measured initially at cost. Subsequently, they are measured at cost less any impairment. Cost also includes direct attributable costs of investment.

(vi) Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by Group entities except otherwise indicated.

3.2 Summary of significant accounting policies (cont'd)

a. Financial instruments

All financial assets and liabilities are recognised in the statements of financial position and measured in accordance with their assigned category.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair values plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) - debt investment; FVOCI - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group and Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group and Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) Financial assets - Business model assessment

The Group and Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group and Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group and Company's continuing recognition of the assets.

3.2 Summary of significant accounting policies (cont'd)

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(iii) Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs {e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Company consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group and Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(iv) Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(v) Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. These financial liabilities comprise trade and other payables, loans and borrowings, bank overdrafts and due to related parties. These liabilities are recognized initially on the date at which the Group and Company become a party to the contractual provision of the instrument. All financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

(vi) Financial assets

The Group and Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and Company neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3.2 Summary of significant accounting policies (cont'd)

(vii) Financial liabilities

The Group and Company derecognise a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognised in profit or loss.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under applicable accounting standards, or for gains and losses arising from a Group or Company of similar transactions such as in the Group and Company's trading activity.

b. Impairment

Financial instruments and contract assets

The Group and Company recognise loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Group and Company measure loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and Company's historical experience and informed credit assessment and including forward-looking information.

The Group and Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group and Company consider a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group and Company in full due to bankruptcy;
- there are adverse changes in the payment status of debtors.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument;

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and Company expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group and Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.2 Summary of significant accounting policies (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group and Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group and Company individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and Company's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group and Company review the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash flows of other assets or cash generating units (CGUs).

Goodwill arising on business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are first allocated to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

c. Leases

Policy applicable before 1 January 2019

(i) Leased assets

Assets held by the Group and Company under leases that transfer to the Group and Company substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases and are not recognized in the Group and Company's statement of financial position.

(ii) Lease payments

Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

3.2 Summary of significant accounting policies (cont'd)

ii) Lease payments (cont'd)

Minimum lease payments made under finance leases are apportioned between the finance expense and a reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Policy applicable from 1 January 2019

The Group and Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group and Company use the definition of a lease in IFRS 16. This policy is applied to contracts entered into (or changed) on or after 1 January 2019.

Group and Company acting as a lessee

The Group and Company apply a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group and Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group and Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and leasehold properties	2 to 50 years
Motor vehicles and other equipment	2 to 4 years

If ownership of the leased asset transfers to the Group and Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment if any, and adjusted for certain remeasurements of the lease liability. Refer to the accounting policies in section 3.2.(b) Impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group and Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and Company and payments of penalties for terminating the lease, if the lease term reflects the Group and Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.2 Summary of significant accounting policies (cont'd)

ii) Lease liabilities (cont'd)

The Group and Company present right-of-use assets and lease liabilities separately in the statement of financial position.

iii) Short-term leases and leases of low-value assets

The Group and Company apply the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group and Company acting as a lessor

At inception or on modification of a contract that contains a lease component, the Group and Company allocate the consideration in the contract to each lease component on the basis of their stand alone prices. When the Group and Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group and Company consider certain indicators such as whether the leases are for the major part of the economic life of the asset.

When the Group and Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group and Company apply IFRS 15 to allocate the consideration in the contract.

The Group and Company recognize lease payments received under operating leases as income on a straightline basis over the lease term as part of other income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Group and Company apply the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group and Company further regularly review estimated unguaranteed residual values used in calculating the gross investment in the lease.

Generally, the accounting policies applicable to the Group and Company as a lessor in the comparative period were not different from IFRS 16.

d. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are initially recognised at cost and subsequently measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.2 Summary of significant accounting policies (cont'd)

d. Property, plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Group and Company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Distribution and Service Station Plants	- 10-20 years
Furniture, Equipment and Motor Vehicles	- 5 -20 years
Leasehold properties	- 20 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(iv) Capital work in progress

Property, plant, and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

(v) Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Group and Company from either their use or disposal. The gain or loss on disposal of an item of property, plant, and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant, and equipment, and is recognised in other income/ other expenses in profit or loss.

e. Intangible assets and goodwill

(i) Recognition and measurement

Software acquired by the Group and Company is initially recognised at cost and subsequently stated at cost less accumulated amortisation and accumulated impairment losses.

Goodwill arising on acquisition of subsidiaries represents the excess of acquisition costs over the Group's interest in the fair value of net identifiable assets acquired. Goodwill is measured at cost less any accumulated impairment loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortization

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, from the date that it is available for use. Amortisation is generally recognised in the profit or loss. Goodwill is not amortised, rather it is reviewed for impairment annually. Any impairment loss is charged to profit or loss.

The estimated useful life of software is four years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected to flow to the Group and Company from either their use or disposal. Gains or losses on derecognition of an intangible asset are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the intangible asset and are recognised directly in profit or loss.

3.2 Summary of significant accounting policies (cont'd)

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

g. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss depending on whether the net exchange differences results in a gain or loss. Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Ghana Cedis at the spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into Ghana Cedis at the average exchange rates for the period. Foreign currency differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to NCI. When a foreign operation is disposed of, the cumulative amount in the translation reserve relating to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

h. Employee benefits

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans, if the Group and Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in profit or loss when they are due.

The Group and Company have the following defined contribution schemes:

Social Security and National Insurance Trust

Under a national pension scheme, the Group and Company contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions under the terms of the National Pensions Act 2008 (Act 766). The Group and Company's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

Provident fund (Defipro)

The Group and Company have a provident fund scheme for staff under which the Group contributes 10% of staff basic salary. The obligation under the plan is limited to the relevant contributions which have been recognised in the financial statements and are settled on due dates to the fund manager.

Termination benefits

Termination benefits are expensed at the earlier of when the Group and Company can no longer withdraw the offer of those benefits and when the Group and Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.2 Summary of significant accounting policies (cont'd)

h. Employee benefits (cont'd)

Other long-term employee benefits

The Group and Company's obligation in respect to long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Other post-employment obligations

The Group and Company provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. These costs are included in general, administrative and selling expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries using the projected unit credit method.

i. Provisions

A provision is recognised when the Group and Company have a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre tax rates that reflect risks specific to the liability.

j. Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and Company expect to be entitled in exchange for those goods or services. The Group and Company have generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of petroleum products is recognised at the point in time when control of the asset is transferred to the customer, generally when customers lift petroleum products from designated depots and/or when products are delivered.

Customers have up to seven (7) days from the date of delivery to report in writing any defects in product or short delivery.

The Group and Company consider whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of petroleum products, the Group and Company consider the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Group and Company estimate the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group and Company have an average of thirty (30) days credit policy.

k. Finance income and costs

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group and Company's right to receive payment is established.

Finance costs comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

3.2 Summary of significant accounting policies (cont'd)

I. Income tax

Income tax expense comprises current and deferred tax. The Group and Company provide for income taxes at the current tax rates on the taxable profits of the Group and Company.

Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income respectively.

(i) Current tax

Current tax is the expected tax payable or receivable on taxable income or losses for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m. Dividend

Dividends on ordinary shares are recognized in the period in which they are approved by the shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes.

n. Segment reporting

A segment is a distinguishable component of the Group and Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment results that are reported to the managing director include items directly attributed to a segment as well as those that can be allocated on a reasonable basis.

o. Earnings per share

The Group and Company present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

p. Stated capital

The Group and Company's stated capital is not redeemable by holders in the normal course of business and bears an entitlement to distributions that is non-cumulative and at the discretion of the Directors. Accordingly, they are presented as a component of issued capital within equity.

3.2 Summary of significant accounting policies (cont'd)

p. Stated capital (cont'd)

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as deduction from stated capital.

q. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

r. Non-current assets held for sale

The Group and Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

s. Cash and cash equivalents

Cash and cash equivalents per the statement of cash flows comprise cash on hand, bank balances and bank overdraft.

t. Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group and Company account for its interest in a joint operation by recognizing its assets, including its share of any assets held jointly, its liabilities, including its share of any liabilities incurred jointly, its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of output by the joint operation, and its expenses, including its share of any expenses incurred jointly.

u. Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group and Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

3.3. Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group and Company applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated and separate financial statements of the Group and Company. The Group and Company have not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

3.3. Changes in accounting policies and disclosures (cont'd)

IFRS 16 Leases

The Group and Company applied IFRS 16 using the modified retrospective approach under which the measurement option for right-of-use (RoU) assets was based on lease liabilities adjusted for prepayments and accrued payments. Due to the application of this option, the RoU asset at 1 January 2019 was equal to the lease liabilities adjusted by the amount of any prepaid and accrued lease payments, hence no impact on retained earnings was recorded. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group and Company are the lessor.

Definition of a lease

Previously, the Group and Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Group and Company now assess whether a contract is or contains a lease based on the definition of a lease as explained in Note 3.2. (c).

On transition to IFRS 16, the Group and Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group and Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFIRC 4 were not reassessed for whether there is a lease under IFRS 16.

(i) As a lessee

As lessees, the Group and Company lease some distribution and service stations, leasehold properties, motor vehicles and other equipment. The Group and Company previously classified these leases as operating leases under IAS 17 based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group and Company. Under IFRS 16, the Group and Company recognise right-of-use assets and lease liabilities for these leases - i.e. these leases are on balance sheet.

On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group and Company's incremental borrowing rate as at 1 January 2019 (See Note 3.2. (c))

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Group and Company have tested its right-of-use assets for impairment on the date of transition and have concluded that there is no indication that the right-of use assets are impaired.

The Group and Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

In particular, the Group and Company:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous under IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review;
- did not recognise right-of-use assets and liabilities for leases which the term ends within 12 months of the date of initial application; and
- excluded initial direct costs from measuring the right of-use asset at the date of initial application.

3.3. Changes in accounting policies and disclosures (cont'd)

(i) As a lessee (cont'd)

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is, as follows:

Assets	GH¢'000
Right-of-use assets	73,686
Leasehold prepayments	(4,234)
Long term leases	(51,228)
Trade and other receivables (prepayments)	(5,737)
Total assets	**12,487**
Liabilities	
Lease liabilities	12,487
Total liabilities	**12,487**
Total adjustment on equity:	
Retained earnings	-

When measuring lease liabilities for leases that were classified as operating leases, the Group and Company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 18% for GH¢ leases respectively.

	01 January 2019 GH¢'000
Operating lease commitments as disclosed in the financial statements at 31 December 2018	**31,772**
Discounted using the incremental borrowing rate at 1 January 2019	**12,936**
Recognition exemption for leases of low value items	**-**
Recognition exemption for short term leases (including leases of less than 12 months of lease term at transition)	**(449)**
Lease liabilities recognized at 1 January 2019	**12,487**

(ii) As a lessor

The Group and Company lease land and leasehold properties. The Group and Company classified these leases as operating leases. The Group and Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

The Group and Company sub-lease its land. Under IAS 17, the head leases and sub-lease contracts were classified as operating leases. On transition to IFRS 16, the right-of use assets recognized from the head leases are presented in Right-of-use Assets. The Group and Company assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset and concluded that they are finance lease.

Upon adoption of IFRS 16, the Group and Company applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 3 (c) Leases for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group and Company.

3.4. New standards and interpretations issued not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and Company's financial statements are disclosed below. The Group and Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective. Those that are relevant to the Group and Company's financial statements are outlined below:

Standard/Interpretation	Effective date Periods beginning on or after
Amendments to IFRS 3: Definition of a Business	01 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	01 January 2020
Amendments to References to Conceptual Framework in IFRS Standards	01 January 2020

3.4. New standards and interpretations issued not yet effective (cont'd)

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group and Company's consolidated and separate financial statements will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments to the definition of material is not expected to have a significant impact on the Group and Company's consolidated and separate financial statements.

Amendments to References to Conceptual Framework in IFRS Standards

The IASB revised the Conceptual Framework because certain important issues were not covered, and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. It is not expected that this will impact the Group and Company significantly.

4. Determination of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and Company have access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group and Company measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group and Company use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

4. Determination of fair values (cont'd)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group and Company determine that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If transaction is with the Shareholder, then the difference between the transaction price and the fair value is recognised directly in equity.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group and Company measure fair values using the following fair value hierarchy, which reflects the significance of inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

If inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and Company recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in determining fair values is included in note 24(iv) financial risk management.

5. Segment reporting

The Group and Company have three main business divisions which are reportable segments. Segment information is presented in respect of the Group and Company's business segments. The primary format and business segments, is based on the Group and Company's management and internal reporting structure.

The Group and Company's results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses which are managed centrally.

The following describes the operations of each reportable segment.

5. Segment reporting (cont'd)

Reportable segments	Operations
Network	Product sales to the Group and Company's service stations.
Commercial	Product sales to the Group and Company's consumer customers.
Others	Product sales to all other customers apart from Network and Commercial customers

The Group and Company do not have a geographical segment. Information related to each reportable segment is set out below:

				Group	Company	
				2019	2019	
	Network	Commercial	Others	Total	Total	
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	
Revenue	1,930,010	508,232	190,368	2,628,610	2,618,817	**
Cost of sales	(1,729,434)	(438,825)	(177,917)	(2,346,176)	(2,341,699)	**
Gross profit	200,576	69,407	12,451	282,434	277,118	
Other income				20,524	20,012	
Results before expenses and other charges				302,958	297,130	
Unallocated expenses				(189,222)	(186,228)	
Impairment of subsidiary				-	(1,500)	
Results from operating activities				113,736	109,402	
Net finance costs				(20,117)	(15,250)	
Share of loss from associate				(24)	-	
Profit before tax				93,595	94,152	
Income tax				(24,813)	(24,813)	
Profit for the year				**68,782**	**69,339**	
Total assets				**879,627**	**809,369**	
Total Liabilities				**627,594**	**550,392**	
Other segment items						
Depreciation and amortisation				**45,549**	**44,457**	

**** Company 2019**

	Network	Commercial	Others	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Revenue	1,930,010	508,232	180,575	2,618,817
Cost of sales	(1,729,434)	(438,825)	(173,440)	(2,341,699)
Gross profit	**200,576**	**69,407**	**7,135**	**277,118**

5. Segment reporting (cont'd)

				Group	Company	
				2018	**2018**	
	Network	Commercial	Others	**Total**	**Total**	
	GH¢'000	GH¢'000	GH¢'000	**GH¢'000**	**GH¢'000**	
Revenue	1,692,884	543,660	144,562	2,381,106	2,370,975	**
Cost of sales	(1,554,023)	(476,801)	(125,813)	(2,156,637)	(2,151,974)	**
Gross profit	138,861	66,859	18,749	224,469	219,001	
Other income				20,283	20,279	
Results before expenses and other charges				244,752	239,280	
Unallocated expenses				(164,240)	(154,928)	
Impairment of subsidiary				-	(1,500)	
Results from operating activities				80,512	82,852	
Net finance costs				(19,592)	(14,884)	
Share of loss from associate				(51)	-	
Profit before tax				60,869	67,968	
Income tax				(17,604)	(17,604)	
Profit for the year				**43,265**	**50,364**	
Total assets				**845,453**	**791,858**	
Total Liabilities				**655,618**	**585,864**	
Other segment items						
Depreciation and amortisation				**31,294**	**30,445**	

**** Company 2018**

	Network	**Commercial**	**Others**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Revenue	1,692,884	543,660	134,431	2,370,975
Cost of sales	(1,554,023)	(476,801)	(121,150)	(2,151,974)
Gross profit	**138,861**	**66,859**	**13,281**	**219,001**

6. Revenue

	Group	Group	**Company**	Company
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Network	1,930,010	1,692,884	1,930,010	1,692,884
Commercial	508,232	543,660	508,232	543,660
Others	190,368	144,562	180,575	134,431
Gross sales value	**2,628,610**	**2,381,106**	**2,618,817**	**2,370,975**

7. Other income

	Group 2019 GH¢'000	Group 2018 GH¢ '000	Company 2019 GH¢'000	Company 2018 GH¢'000
Rent income	7,548	3,488	7,573	3,488
Profit on disposal of plant and equipment	793	139	793	139
Sundry income	12,183	16,656	11,646	16,652
	20,524	**20,283**	**20,012**	**20,279**

Sundry income represents income from services provided at the network stations and fees charged for managing depots of customers.

8. Profit before taxation is stated after charging

	Group 2019 GH¢'000	Group 2018 GH¢ '000	Company 2019 GH¢'000	Company 2018 GH¢'000
Cost of sales				
Inventory movement	1,431,287	1,359,260	1,431,287	1,359,260
Transportation	101,952	75,412	101,952	75,412
Import duties	696,163	627,531	696,163	627,531
Other costs**	116,774	94,434	112,297	89,771
	2,346,176	**2,156,637**	**2,341,699**	**2,151,974**
General, administrative and selling expense				
Personnel costs (note 9)	44,696	37,815	43,248	36,583
Auditor 's remuneration	378	284	238	194
Depreciation of PPE and ROU assets	44,868	29,453	43,794	28,632
Amortisation of software and leasehold prepayment	505	528	487	500
Directors' emoluments	1,883	1,405	1,883	1,405
Donations	3,086	1,576	3,086	1,576
Technical assistance	17,006	16,967	17,006	16,967
Maintenance cost	19,819	14,444	19,684	14,318
Rental cost	4,890	14,689	4,807	14,611
Other cost	49,647	41,021	51,051	35,584
	186,778	**158,182**	**185,284**	**150,370**

** Other costs in cost of sales for the Group include depreciation of GH¢4,342,000 (2018: GH¢4,490,000) on plant and machinery for the subsidiary.

9. Personnel costs

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Wages and salaries	28,447	25,196	27,265	24,221
Social security contributions	1,737	1,600	1,707	1,561
Provident fund (Defipro)	1,302	1,084	1,302	1,084
Other staff expenses	13,210	9,935	12,974	9,717
	44,696	**37,815**	**43,248**	**36,583**

Other staff expenses includes training and medical expenses.

The average number of persons employed by the Group and Company during the year was 211 (2018:217) and 190 (2018:195) respectively.

10. Taxation

(i) Income tax expense

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Current tax expense (note 10(ii))	26,150	17,806	26,150	17,806
Deferred tax (credit)/expense (note 11)	(1,337)	(202)	(1,337)	(202)
	24,813	**17,604**	**24,813**	**17,604**

Deferred tax (credit)/expense relates to the origination and reversals of temporary differences.

Group and Company

(ii) Taxation payable/ (receivable)

2019	Balance at 01-Jan GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢ '000	Balance at 31-Dec GH¢'000
Up to 2014	(4,204)	-	-	(4,204)
2015	544	-	-	544
2016	(926)	-	-	(926)
2017	(2,691)	-	-	(2,691)
2018	(7,639)	-	-	(7,639)
2019	-	(26,280)	26,150	(130)
Withholding tax	(183)	(519)	-	(702)
National reconstruction levy Up to 2006	(29)	-	-	(29)
	(15,128)	**(26,799)**	**26,150**	**(15,777)**

10. Taxation (cont'd)

2018

		Balance at 01-Jan	Other adjustments	Payments during the year	Charged to P/L account	Balance at 31-Dec
		GH¢'000	GH¢'000	GH¢'000	GH¢ '000	GH¢'000
Up to	2013	**69**	-	-	**(69)**	-
	2014	**(4,204)**	-	-		**(4,204)**
	2015	**2,699**	-	-	**(2,155)**	**544**
	2016	**(926)**	-	-		**(926)**
	2017	**(2,494)**	-	-	**(197)**	**(2,691)**
	2018	-	**(11,285)**	**(16,581)**	**20,227**	**(7,639)**
Withholding tax		**(10,645)**	**11,285**	**(823)**	-	**(183)**
National reconstruction levy Up to 2006		**(29)**	-	-	-	**(29)**
		(15,530)	-	**(17,404)**	**17,806**	**(15,128)**

Other adjustments: This represents tax credit certificates which have been filed with the tax authorities. The tax assets/liabilities are subject to agreement with the tax authorities.

National Reconstruction Levy: This relates to a levy imposed on companies by the Government on profits before tax between 2001 and 2005. This levy has been abolished.

(iii) Reconciliation of effective tax rate

	Group 2019 GH¢'000	Group 2018 GH¢'000	**Company 2019 GH¢'000**	Company 2018 GH¢'000
Profit before taxation	93,595	60,869	94,152	67,968
Income tax using the domestic tax rate (25%)	23,399	15,217	23,538	16,992
Non-deductible expenses	1,414	4,808	1,275	3,033
Over provision in prior years	-	(2,421)	-	(2,421)
Total tax charge	**24,813**	**17,604**	**24,813**	**17,604**
Effective tax rate	27%	29%	26%	26%

11. Deferred Taxation

	Group 2019 GH¢'000	Group 2018 GH¢'000	**Company 2019 GH¢'000**	Company 2018 GH¢'000
Balance at 1 January	2,056	2,258	2,056	2,258
Charge to profit or loss for the year	(1,337)	(202)	(1,337)	(202)
Balance at 31 December	**719**	**2,056**	**719**	**2,056**

11. Deferred Taxation (cont'd)

Recognised deferred tax assets and liabilities are attributable to the following:

Group and Company 2019	Net Balance at 1 January	Recognised in profit or loss	Net Balance at 31 December	Deferred tax assets	Deferred tax liabilities
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, plant and equipment	10,460	719	11,179	-	11,179
Provisions	(8,404)	(1,794)	(10,198)	(10,198)	-
Leases	-	(262)	(262)	(262)	-
Net tax (assets)/liabilities	**2,056**	**(1,337)**	**719**	**(10,460)**	**11,179**

Group and Company 2018	Balance at 1 January	Recognised in profit or loss	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, plant and equipment	8,384	2,076	10,460	-	10,460
Provisions	(6,126)	(2,278)	(8,404)	(8,404)	-
Net tax (assets)/liabilities	**2,258**	**(202)**	**2,056**	**(8,404)**	**10,460**

The Group has unrecognized net deductible temporary differences that arose in Ghanstock Limited of GH¢22,759,683 (2018:GH¢17,951,592). Deferred tax assets of GH¢5,689,921 (2018:GH¢4,487,898) have not been recognized in respect of deductible temporary differences as they may not be used to offset taxable profits elsewhere in the Group. Ghanstock Limited may not have taxable profit available against which the temporary differences will be utilized. There are also no other tax planning opportunities or other evidence of recoverability in the near future.

12 (a). Property, plant and equipment

Reconciliation of carrying amount

Group 2019	Leasehold properties	Distribution Service station plants	Motor vehicles	Furniture & Equipment	Capital work-in-progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost						
At 1/1/2019	98,903	294,722	9,523	16,378	39,340	458,866
Additions	2,927	13,747	430	1,674	42,713	61,491
Transfers	4,952	25,984	872	585	(32,393)	-
Disposals	(71)	(1,014)	(566)	(114)	-	(1,765)
Reclassification (Note 14)	1,776	-	-	-	-	1,776
Foreign exchange difference	-	29,676	-	106	69	29,851
At 31/12/2019	**108,487**	**363,115**	**10,259**	**18,629**	**49,729**	**550,219**
Accumulated depreciation						
At 1/1/2019	28,313	98,356	6,938	10,535	-	144,142
Charge for the year	6,118	29,200	1,907	1,864	-	39,089
Released on disposals	(56)	(448)	(360)	(93)	-	(957)
Reclassification (Note 14)	680	-	-	-	-	680
Foreign exchange difference	-	6,517	(24)	85	-	6,578
At 31/12/2019	**35,055**	**133,625**	**8,461**	**12,391**	**-**	**189,532**
Carrying amount at 31/12/2019	**73,432**	**229,490**	**1,798**	**6,238**	**49,729**	**360,687**

12 (a). Property, plant and equipment (cont'd)

Reconciliation of carrying amount (cont'd)

Group 2018	Leasehold properties	Distribution Service station plants	Motor vehicles	Furniture & Equipment	Capital work-in-progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost						
At 1/1/2018	87,095	251,087	8,983	14,324	55,330	416,819
Additions	5,143	16,011	596	658	22,707	45,115
Transfers	8,019	29,203	-	1,475	(38,697)	-
Disposals	(28)	(1,058)	(56)	(67)	-	(1,209)
Asset write off	(605)	(521)	-	(12)	-	(1,138)
Assets held for sale	(721)	-	-	-	-	(721)
At 31/12/2018	**98,903**	**294,722**	**9,523**	**16,378**	**39,340**	**458,866**
Accumulated depreciation						
At 1/1/2018	23,235	74,266	4,963	8,735	-	111,199
Charge for the year	5,427	24,699	1,998	1,820	-	33,944
Released on disposals	(25)	(396)	(23)	(15)	-	(459)
Asset write off	(131)	(213)	-	(5)	-	(349)
Assets held for sale	(193)	-	-	-	-	(193)
At 31/12/2018	**28,313**	**98,356**	**6,938**	**10,535**	**-**	**144,142**
Carrying amount at 31/12/2018	**70,590**	**196,366**	**2,585**	**5,843**	**39,340**	**314,724**

Company 2019	Leasehold properties	Distribution Service station plants	Motor vehicles	Furniture & Equipment	Capital work-in-progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost						
At 1/1/2019	98,857	219,533	11,124	14,334	39,535	383,383
Additions	2,927	13,282	430	1,640	42,296	60,575
Transfers	4,952	25,984	872	585	(32,393)	-
Disposals	(71)	(1,014)	(566)	(114)	-	(1,765)
Reclassification (Note 14)	1,776	-	-	-	-	1,776
At 31/12/2019	**108,441**	**257,785**	**11,860**	**16,445**	**49,438**	**443,969**
Accumulated depreciation						
At 1/1/2019	27,196	83,211	7,052	10,046	-	127,505
Charge for the year	6,118	23,904	1,833	1,818	-	33,673
Released on disposals	(56)	(448)	(360)	(93)	-	(957)
Reclassification (Note 14)	680	-	-	-	-	680
At 31/12/2019	**33,938**	**106,667**	**8,525**	**11,771**	**-**	**160,901**
Carrying amount at 31/12/2019	**74,503**	**151,118**	**3,335**	**4,674**	**49,438**	**283,068**

12 (a). Property, plant and equipment (cont'd)

Reconciliation of carrying amount (cont'd)

Company 2018	Leasehold properties	Distribution Service station plants	Motor vehicles	Furniture & Equipment	Capital work-in-progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost						
At 1/1/2018	87,049	175,920	10,584	12,282	55,604	341,439
Additions	5,143	15,989	596	656	22,628	45,012
Transfers	8,019	29,203	-	1,475	(38,697)	-
Disposals	(28)	(1,058)	(56)	(67)	-	(1,209)
Asset write off	(605)	(521)	-	(12)	-	(1,138)
Assets held for sale	(721)	-	-	-	-	(721)
At 31/12/2018	**98,857**	**219,533**	**11,124**	**14,334**	**39,535**	**383,383**
Accumulated depreciation						
At 1/1/2018	22,118	64,319	5,133	8,304	-	99,874
Charge for the year	5,427	19,501	1,942	1,762	-	28,632
Released on disposals	(25)	(396)	(23)	(15)	-	(459)
Asset write off	(131)	(213)	-	(5)	-	(349)
Assets held for sale	(193)	-	-	-	-	(193)
At 31/12/2018	**27,196**	**83,211**	**7,052**	**10,046**	**-**	**127,505**
Carrying amount at 31/12/2018	**71,661**	**136,322**	**4,072**	**4,288**	**39,535**	**255,878**

12(a) i. Profit on disposal of property, plant and equipment

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Cost	1,765	1,209
Accumulated depreciation	(957)	(459)
Net book value	808	750
Sale proceeds	(1,601)	(889)
Profit on disposal	**(793)**	**(139)**

12(a) ii. Write off of property, plant and equipment

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Cost	-	1,138
Accumulated depreciation	-	(349)
Net book value	**-**	**789**

12(a) ii. Write off of property, plant and equipment (cont'd)

Write off of property, plant and equipment represents damaged assets with no market or scrap value. The write off charge of GH¢789,000 was recorded within general, administrative and selling expenses in the statement of profit or loss.

12(a). iii. Assets under construction (capital work in-progress)

The balance of GH¢49,729,000 (2018:GH¢39,340,000) and GH¢49,438,000 (2018:GH¢39,535,000) for Group and Company respectively relates to the construction of new service stations, major renovations to existing service stations and other constructions.

12(a). iv. Security

Ghanstock Limited's Tank Farm, amounting to GH¢59,862,000 has been pledged as a security for the bank loan (see note 22).

The Company's land with property title number WR.412/13 situated at Takoradi, Ghana has been pledged as a security for the loan obtained by Ghanstock Limited.

12(b). Assets held for sale

Assets held for sale represent some leasehold properties owned by the Group and Company. The Group and Company considered these assets to meet the criteria to be classified as held for sale at the reporting date for the following reasons:

- The Board of Directors of the Group and Company approved the plan to sell on 29 May 2018;
- The properties are available for immediate sale and can be sold to the buyer in their current condition;
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.

The properties classified as held for sale as at 31 December and reported under current assets are, as follows:

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Cost	**721**	721
Accumulated depreciation	**(193)**	(193)
Net book value	**528**	**528**

13. Intangible assets and goodwill

	Group		Company	
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Software (Note 13[a])	1,031	938	953	883
Goodwill (Note 13[b])	12,083	12,083	12,083	12,083
	13,114	**13,021**	**13,036**	**12,966**

(a) Software

Group	**2019**	2018
Cost	**GH¢'000**	GH¢'000
Balance at 1 January	3,030	3,008
Additions	308	22
Foreign exchange difference	53	-
Balance at 31 December	**3,391**	**3,030**
Amortisation		
Balance at 1 January	2,092	1,893
Amortsation for the year	256	199
Foreign exchange difference	12	-
Balance at 31 December	2,360	2,092
Carrying amount		
At 31 December	**1,031**	**938**

13. Intangible assets and goodwill (cont'd)

(a) Software (cont'd)

Company	**2019**	2018
Cost	**GH¢'000**	GH¢'000
Balance at 1 January	2,892	2,870
Additions	308	22
Balance at 31 December	**3,200**	**2,892**
Amortisation		
Balance at 1 January	2,009	1,837
Amortsation for the year	238	172
Balance at 31 December	**2,247**	2,009
Carrying amount		
At 31 December	**953**	**883**

b. Goodwill

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Cost		
Balance at 1 January	15,092	15,092
Balance at 31 December	**15,092**	**15,092**
Impairment		
Balance at 1 January	3,009	3,009
Balance at 31 December	**3,009**	**3,009**
Carrying amount		
At 31 December	**12,083**	**12,083**

This relates to goodwill arising on the acquisition of Mobil Ghana Limited in 2006.

14. Leasehold prepayments

	Group and Company	
	2019	2018
Cost	**GH¢'000**	GH¢'000
Balance at 1 January	6231	1776
Recognition of Right-of-use assets on transition (Note 3.3)	(4,455)	-
Adjusted Balance at 1 January	1,776	1,776
Additions	-	4,455
Reclassification to PPE**	(1,776)	-
Balance at 31 December	**-**	**6,231**
Amortisation		
Balance at 1 January	652	324
Amortisation associated with Right-of-use assets on transition (Note 3.3)	(221)	-
Adjusted Balance at 1 January	431	324
Amortisation for the year	249	328
Reclassification to PPE**	(680)	-
Balance at 31 December	**-**	**652**
Carrying amount		
At 31 December	**-**	**5,579**

**Reclassified amounts mainly represent service stations which were outrightly purchased previously.

15. Investment in associates and subsidiaries

(a) Associates	**Group**		**Company**	
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Investments in associated companies				
Ghana Bunkering Services Limited (GBS)	3,475	3,526	12	12
Road Safety Limited (RSL) *	-	-	-	-
Share of loss from GBS	(24)	(51)	-	-
	3,451	**3,475**	**12**	**12**

* The investment in RSL is less than GH¢1,000 and is showing as nil as a result of rounding.

Investments in associates represent investments in:

Road Safety Limited (RSL)

The company has a 50% interest in RSL (formerly, Petroleum Road Transport Safety Limited), a company incorporated in Ghana. Its principal business is to provide driver education and maintenance services for the haulage of petroleum products.

Ghana Bunkering Services Limited

The investment in Ghana Bunkering Limited represents shares, held by the Company conferring the right to exercise 48.5% of votes exercisable at general meetings. Ghana Bunkering Services Limited is a company incorporated in Ghana to provide bunkering services to petroleum marketers in the country.

15. Investment in associates and subsidiaries (cont'd)

The directors of the Group are of the view that the results of Road Safety Limited are very immaterial to the Group and as such its results have not been included in the consolidated financial statements. However, the results of Ghana Bunkering Services Limited have been included in the consolidated financial statements.

The following table summarises the financial information of Ghana Bunkering Services as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Ghana Bunkering Services.

	2019	2018
	GH¢'000	GH¢'000
Percentage ownership interest	48.5%	48.5%
Non- current assets	4,556	4,901
Current assets	3,676	3,191
Non-current liabilities	(200)	(190)
Current liabilities	(916)	(737)
Net assets	7,116	7,165
Carrying amount of interest in associate (48.5%)	3,451	3,475
Revenue	1,276	1,363
Loss from operations	(50)	(106)
Group's share of total loss from operations (48.5%)	(24)	(51)

b. Subsidiary

Group

The Group has a 55% interest in Ghanstock Limited, a company incorporated in Ghana and authorised to build, own, operate and maintain petroleum storage facilities. Ghanstock Limited changed its functional and presentation currency from Ghana Cedis to United States Dollars during the current year. Foreign currency differences that arose on translation amounting to GH¢9,772,000 are recognized in other comprehensive income.

	2019	2018		
Company	GH¢'000	GH¢'000	2019	2018
Gross investment in subsidiary	4,774	6,274	55%	55%
Impairment	(1,500)	(1,500)		
Carrying amount	**3,274**	**4,774**		

As at the end of the current year, the subsidiary, Ghanstock's, net liability position was GH¢7,110,000 which exceeded the Company's investment in the subsidiary of GH¢4,774,000. The projected cash flows was updated to reflect the current economic conditions of the subsidiary. The post-tax discount rate applied to cash flow projections is 12% and cash flows beyond the five-year period were extrapolated using an average rate of 3% growth rate year on year between 2020 and 2024 (and 6% after the forecast period). As a result of this analysis, Management has recognised an impairment charge of GH¢1,500,000 which is recorded within general, administrative and selling expenses in the statement of profit or loss.

15. Investment in associates and subsidiaries (cont'd)

b. Subsidiary (cont'd)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the following assumptions:

- EBITDA: This is based on average values achieved in the three years preceding the beginning of the budget period. In 2019, the EBITDA for the subsidiary was 84.5%. This was increased over the budget period for anticipated efficiency improvements. An average in the EBITDA over the five year period of 84.2% per annum was applied.
- Discount rates: Discount rates represent the current market assessment of the risks specific to the subsidiary, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the subsidiary and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the subsidiary's investors. The cost of debt is based on the interest-bearing borrowings the subsidiary is obliged to service.
- General price inflation: Estimates are obtained from published indices from official sources. Management has considered the possibility of greater-than-forecast increases in general price inflation. Forecast price inflation lies within a range of 1.7% to 2.1%.

Any adverse movement in any of the key assumptions would lead to further impairment.

16. Inventories

	Group 2019 GH¢'000	Group 2018 GH¢'000	**Company 2019 GH¢'000**	Company 2018 GH¢'000
Trading				
Lubricants	37,094	32,366	37,094	32,366
Bitumen	1,511	10,709	1,511	10,709
Fuel	1,577	10,408	1,577	10,408
Additives	23,401	16,696	23,401	16,696
Stock in transit	1,455	4,580	1,455	4,580
Special fluid	2,266	669	2,266	669
	67,304	**75,428**	**67,304**	**75,428**
Non-Trading				
Consumables	3,070	1,633	2,591	1,281
Packing materials	2,859	2,659	2,859	2,659
	73,233	**79,720**	**72,754**	**79,368**

Inventories of GH¢1,431,287,000 (2018:GH¢1,359,260,000) were recognized as an expense during the year for the Company. These are included in cost of sales.

Inventories have been reduced by GH¢4,202,000 (2018:GH¢ 1,553,000) as a result of the write-down to net realisable value. The write-down was recognised as an expense during 2019.

The write-downs are included in 'cost of sales'.

17. Trade & other receivables

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Trade receivables	254,438	263,893	253,860	263,050
Other receivables	31,033	23,781	30,676	23,588
Prepayments	3,278	10,128	3,121	10,001
	288,749	**297,802**	**287,657**	**296,639**

The maximum amount due from staff during the year was approximately GH¢2,520,054 (2018:GH¢2,518,475). These amounts are included in other receivables. Information about the Group and Company exposure to credit and market risk and impairment loss for trade and other receivable is included in note 24(ii).

18. Cash and cash equivalents

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Cash at hand**	1	-	-	-
Cash at bank	47,580	55,095	47,186	54,765
Cash and bank balances	47,581	55,095	47,186	54,765
Bank overdrafts used for cash management	(67,348)	(75,585)	(67,348)	(75,585)
Cash and cash equivalents in statement of cash flows	**(19,767)**	**(20,490)**	**(20,162)**	**(20,820)**

**Cash at hand balances less than GH¢1,000 are shown as nil for both Group and Company as a result of rounding.

19 (a). Stated capital

	Group and Company 2019 No. of shares	Group and Company 2019 GH¢'000 Proceeds	Group and Company 2018 No. of shares	Group and Company 2018 GH¢'000 Proceeds
Authorised:				
Ordinary Shares of no par value	250,000,000		250,000,000	
Issued and fully paid				
For cash	610,000	22	610,000	22
For consideration other than cash	10,069,259	49,694	10,069,259	49,694
Capitalisation issue	101,194,813	1,506	101,194,813	1,506
	111,874,072	**51,222**	**111,874,072**	**51,222**

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. There is no call or instalment unpaid on any share and there are no shares in treasury.

19 (b). Dividend

The following dividends were declared and paid during the year.

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Final dividend for 2018: GH¢ 0.0768 per share (2017: GH¢ 0.0701 per share)	8,592	7,843
Interim dividend for 2019: GH¢ 0.0694 per share (2018: GH¢ 0.0631 per share)	7,764	7,059
	16,356	**14,902**

Final dividends represent dividends declared for prior year and paid in current year. Interim dividends were declared for the year and paid during the year.

After the reporting date, the following dividend was proposed by the Board of Directors.

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Dividend proposed	**9,453**	**8,592**

Proposed dividends are subject to approval at the annual general meeting and are not recognized as a liability as at 31 December. There are also no tax consequences associated with these proposed dividends.

20. Earnings per share

Basic

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

	Group	Group	**Company**	Company
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Profit attributable to equity holders of the Company (expressed in GH¢'000)	**69,697**	47,112	**69,339**	50,364
Weighted average number of ordinary shares in issue	**111,874,072**	111,874,072	**111,874,072**	111,874,072
Basic earnings per share (expressed in GH¢ per share)	**0.6230**	0.4211	**0.6198**	0.4502
Diluted earnings per share (expressed in GH¢ per share)	**0.6230**	0.4211	**0.6198**	0.4502

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares, to assume all dilutive potential ordinary shares. At 31 December 2019 and 2018, the Group and Company had no dilutive potential ordinary shares.

21. Trade and other payables

	Group	Group	**Company**	Company
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Trade payables	213,810	258,828	212,596	256,755
Non-trade payables	179,112	139,680	178,060	139,432
Accrued expenses	9,289	14,926	9,032	14,608
	402,211	**413,434**	**399,688**	**410,795**

Information about the Group and Company's exposure to currency and liquidity risks is included in note 24(ii).

22. Loans and borrowings

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Current				
Secured bank loans	6,752	13,846	-	-
Unsecured bank loans	5,188	5,357	5,188	5,357
	11,940	**19,203**	**5,188**	**5,357**
Non-current				
Secured bank loans	60,058	47,876	-	-
Unsecured bank loans	1,250	6,250	1,250	6,250
	61,308	**54,126**	**1,250**	**6,250**

a. Terms and debt repayment schedule

The terms and conditions of the outstanding loans are as follows:

Group				**31-Dec-19**	
				Carrying value	**Fair value**
	Nominal interest	Currency	Year of maturity	**GH¢'000**	**GH¢'000**
Secured bank loan	7.21%	US$	2027	**66,810**	**67,281**
Unsecured bank loan	18.00%	GH¢	2021	**6,438**	**6,299**

				31-Dec-18	
				Carrying value	**Fair value**
	Nominal interest	Currency	Year of maturity	**GH¢'000**	**GH¢'000**
Secured bank loan	7.76%	US$	2023	**61,722**	**60,809**
Unsecured bank loan	19.00%	GH¢	2021	**11,607**	**11,398**

Company				**31-Dec-19**	
				Carrying value	**Fair value**
	Nominal interest	Currency	Year of maturity	**GH¢'000**	**GH¢'000**
Unsecured bank loan	18.00%	GH¢	2021	**6,438**	**6,299**

				31-Dec-18	
				Carrying value	Fair value
	Nominal interest	Currency	Year of maturity	**GH¢'000**	GH¢'000
Unsecured bank loan	19.00%	GH¢	2021	**11,607**	**11,398**

22. Loans and borrowings (cont'd)

a. Terms and debt repayment schedule (cont'd)

The secured loan is an Absa Bank Ghana Limited facility obtained for the construction of a Tank Farm at Takoradi, Ghana. The facility was restructured in 2019 to increase the loan term and reduce the principal repayments. The new tenure is 9 years and the loan expires in December 2027. The interest rate charged also increased from 5.5% plus 3months libor to 5.75% plus 3 months libor. All other terms and conditions of the facility and the facility agreement remained unchanged.

The facility has the following as security:

- Corporate guarantee of GH¢32,694,999 from Total Petroleum Ghana Limited.
- Corporate guarantee of GH¢26,750,454 from Fueltrade Limited.
- Fixed and floating charge debenture in Absa Bank's standard form covering the Tank Farm.

Charge of GH¢8,800,000 over Total Petroleum Ghana Limited's land with property title WR.412/13 situated at Takoradi, Ghana.

The unsecured loan is a GH¢15 million Standard Chartered Bank (Ghana) Limited facility obtained to finance working capital and general capital expenditure requirement. The facility has a tenure of 3 years and attracts interest at 18% per annum.

b. Reconciliation of movements of liabilities to cash flows arising from financing activities

2019 Group	Lease liabilities GH¢'000	Loans and borrowings GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
Balance at 1 January 2019	-	73,329	145,295	218,624
Changes from financing cash flows				
Proceeds from new loan	-	-	-	-
Repayment of loan	-	(10,762)	-	(10,762)
Dividend paid	-	-	(16,356)	(16,356)
Principal elements for lease payments	(10,715)	-	-	(10,715)
Total changes from financing cash flows	(10,715)	(10,762)	(16,356)	(37,833)
The effect of changes in foreign exchange rates	**-**	**10,987**	**-**	**10,987**
Other changes				
New leases	21,994	-	-	21,994
Interest expense	2,479	6,422	-	8,901
Interest paid	(663)	(6,728)	-	(7,391)
Total liability-related other changes	23,810	(306)	-	23,504
Total equity-related other changes	-	-	69,697	69,697
Balance at December 2019	**13,095**	**73,248**	**198,636**	**284,979**

22. Loans and borrowings (cont'd)

b. Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

2018	Loans and borrowings	Retained Earnings	Total
Group	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January 2018	61,574	113,085	174,659
Changes from financing cash flows			
Proceeds from new loan	15,000	-	15,000
Repayment of loan	(8,963)	-	(8,963)
Dividend paid	-	(14,902)	(14,902)
Total changes from financing cash flows	6,037	(14,902)	(8,865)
The effect of changes in foreign exchange rates	**5,221**	**-**	**5,221**
Other changes			
Interest expense for loans and borrowings	7,017	-	7,017
Interest paid for loans and borrowings	(6,520)	-	(6,520)
Total liability-related other changes	497	-	497
Total equity-related other changes	-	47,112	47,112
Balance at December 2018	**73,329**	**145,295**	**218,624**

2019	Lease liabilities	Loans and borrowings	Retained Earnings	Total
Company	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January 2019	-	11,607	154,772	166,379
Changes from financing cash flows				
Proceeds from new loan	-	-	-	-
Repayment of loan	-	(5,000)	-	(5,000)
Dividend paid	-	-	(16,356)	(16,356)
Principal elements for lease payments	(10,715)	-	-	(10,715)
Total changes from financing cash flows	(10,715)	(5,000)	(16,356)	(32,071)
The effect of changes in foreign exchange rates	**-**	**-**	**-**	**-**
Other changes				
New leases	21,994	-	-	21,994
Interest expense	2,479	1,555	-	4,034
Interest paid	(663)	(1,724)	-	(2,387)
Total liability-related other changes	23,810	(169)		23,641
Total equity-related other changes	-	-	69,339	69,339
Balance at 31 December 2019	**13,095**	**6,438**	**207,755**	**227,288**

22. Loans and borrowings (cont'd)

b. Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

2018 Company	Loans and borrowings GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
Balance at 1 January 2018	-	119,310	119,310
Changes from financing cash flows			
Proceeds from new loan	15,000	-	15,000
Repayment of loan	(3,750)	-	(3,750)
Dividend paid	-	(14,902)	(14,902)
Total changes from financing cash flows	11,250	(14,902)	(3,652)
The effect of changes in foreign exchange rates	**-**	**-**	**-**
Other changes			
Interest expense for loans and borrowings	2,309	-	2,309
Interest paid for loans and borrowings	(1,952)	-	(1,952)
Total liability-related other changes	357	-	357
Total equity-related other changes	-	50,364	50,364
Balance at 31 December 2018	**11,607**	**154,772**	**166,379**

Information about the Group and Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 24

23. Provision

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	5,313	5,313
Provisions made during the year	969	-
Amounts utilised	(190)	-
	6,092	**5,313**

Provisions made and amounts utilised during the year represent additional provisions and payments made for legal claims. The outstanding provision represents legal provision of GH¢1,547,000 (2018: GH¢1,737,000), long service awards provision of GH¢1,176,000 (2018:GH¢1,176,000) and post employment medical benefits provision of GH¢3,369,000 (2018 GH¢:2,400,000). Long service awards and post-employment medical benefits provisions are employee benefits, details of which are set out below.

Long service awards

The Group and Company provide employees with a multiple of monthly salary as a long service award after specified years of service. The Group and Company's net obligation in this regard is the amount of future benefits that employees have earned in return for their services in current and prior periods.

The valuation of the Group and Company's obligation involves the following:

- The projection of future cash flows, taking into account probabilities of survival and withdrawal.

23. Provision (cont'd)

Long service awards (cont'd)

- Increasing the projected subsidy cash flows in line with expected long term escalation.
- Discounting these cash flows in order to express liabilities in current Cedi terms.

The Group and Company do not have any assets as the long service awards liability is unfunded.

The amounts recognised in the balance sheet and the movements in the obligation over the year are as follows:

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	1,176	1,176
Included in profit or loss		
Current service cost	-	-
Past service cost	-	-
Interest expense/(income)	-	-
	-	-
Included in Other Comprehensive Income		
Actuarial gains and losses	-	-
Balance at 31 December	1,176	1,176

Actuarial assumptions

The following were the principal actuarial assumptions.

	2019	2018
Discount rate	22.20%	18.75%
Consumer price Inflation (CPI)	8%	9.4%
Salary inflation	11%	12.4%
Retirement age	60 years	60 years
Average withdrawal rate for males	10%	10%
Average withdrawal rate for females	14%	14%

Sensitivity Analysis

Reasonably possible changes at the reporting date to two of the principal assumptions, holding other assumptions constant, would have affected the long service award obligation by the amounts shown below.

	31-Dec-19		31-Dec-18	
	Increase	**Decrease**	Increase	Decrease
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Discount rate (1% movement)	(47)	51	(47)	51
Retirement age (1 year movement)	107	(108)	107	(108)

Post-employment medical benefits

The Group and Company provide post-retirement medical assistance to their employees upon retirement. The employees receive medical assistance as long as they remain pensioners and do not re-enter the job market. In the case of deceased employees, the subsidy ceases and their members' spouse(s) are taken off the scheme at the end of the year of death. In respect of the case of deceased pensioners, the subsidy continues in respect of their spouse.

23. Provision (cont'd)

Post-employment medical benefits (cont'd)

The valuation of the Group and Company's post-employment medical benefit obligation involves the following:

- The projection of future post-retirement medical cash flows, taking into account probabilities of survival, retirement and death-in-service.
- The medical contribution subsidies arising in respect of spouse of employees.
- Increasing the projected subsidy cash flows in line with expected long term medical inflation.
- Discounting these cash flows in order to express liabilities in current Cedi terms.

The Group and Company do not have any assets as the post employment medical benefit liability is a self-insured plan.

The amounts recognised in the balance sheet and the movements in the obligation over the year are as follows:

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	2,400	2,400
Included in profit or loss		
Current service cost	969	-
Past service cost	-	-
Interest expense/(income)	-	-
	969	-
Included in Other Comprehensive Income		
Actuarial gains and losses	-	-
	-	-
Balance at 31 December	3,369	2,400

Actuarial assumptions

The following were the principal actuarial assumptions

	2019	2018
Discount rate	15.13%	15.03%
Medical inflation	9%	9.0%
Active employees with spouse at retirement	80%	80%
Retirement age	60 years	60 years

Assumptions regarding mortality used is an age offset of +16 for men and +18 for women, which leads to a life expectancy at age 60 of 10.6 and 11.7 respectively for men and women.

23. Provision (cont'd)

Sensitivity Analysis

Reasonably possible changes at the reporting date to two of the principal assumptions, holding other assumptions constant, would have affected the post-employment medical liability and benefit cost by the amounts shown below.

Sensitivity on liability in GH¢'000		Discount rate	
		17%	20%
Medical inflation	12%	3,611	2,905
	16%	5,205	3,906

Sensitivity on benefit cost in GH¢'000		Discount rate	
		17%	20%
Medical inflation	12%	557	433
	16%	1,052	764

24. Financial risk management

(i) Overview

The Group and Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group and Company's exposure to each of the above risks, the Group and Company's objectives, policies, and processes for measuring and managing risk, and the Group and Company's management of capital.

Risk management framework

The Group and Company's board of directors has overall responsibility for the establishment and oversight of the Group and Company's risk management framework. The board's audit committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group and Company.

The Group and Company's risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

The Group, through its training and management standards and procedures, continues to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Group and Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee gain assurance in relation to the effectiveness of internal control and the risk management framework from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self assessment process over internal control; and the independent work of the internal audit department, which ensures that the Audit Committee and management understand the Group and Company's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the Group's internal control and management of key risks.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers.

24. Financial risk management (cont'd)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group and Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit control committee has established a credit policy under which a new customer is analysed individually for credit worthiness before the Group and Company's standard payment terms and conditions are offered. The Group and Company generally trade with pre defined and selected customers. Credit exposure on trade receivable is covered by customers issuing post dated cheques to cover amount owed, as well the use of customer's security deposits.

Impairment analysis of trade and other receivables

The Group and Company use an allowance matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances. Loss rates are calculated using a 'historical loss rate' method based on actual credit loss experience over the past three years.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December.

Group 2019	**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
	%	**GH¢'000**	**GH¢'000**	
Neither past due nor impaired (less than 30 days)	0.5105%	204,662	1,045	No
Past due (30-90 days)	0.7380%	31,860	235	No
Past due more than 90 days	57.9120%	45,609	26,413	Yes
		282,131	**27,693**	

Group 2018	**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
	%	**GH¢'000**	**GH¢ '000**	
Neither past due nor impaired(less than 30 days)	0.4980%	213,894	1,065	No
Past due (30-90 days)	1.2500%	35,464	443	No
Past due more than 90 days	59.6747%	39,784	23,741	Yes
		289,142	**25,249**	

Company 2019	**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
	%	**GH¢'000**	**GH¢'000**	
Neither past due nor impaired(less than 30 days)	0.5120%	204,084	1,045	No
Past due (30-90 days)	0.7380%	31,860	235	No
Past due more than 90 days	57.9120%	45,609	26,413	Yes
		281,553	**27,693**	

24. Financial risk management (cont'd)

Impairment analysis of trade and other receivables (cont'd)

Company 2018	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
	%	GH¢'000	GH¢ '000	
Neither past due nor impaired(less than 30 days)	0.50000%	213,051	1,065	No
Past due (30- 90 days)	1.25000%	35,464	443	No
Past due more than 90 days	59.6747%	39,784	23,741	Yes
		288,299	**25,249**	

Movements in the allowance for impairment in respect of trade receivables and contract assets.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	25,249	19,191
Impairment loss recognised in profit or loss	2,444	6,058
Balance at 31 December	**27,693**	**25,249**

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at which point the amounts considered irrecoverable are written off against trade receivables directly.

No impairment loss was recognised for financial assets other than trade receivables.

Cash and cash equivalents

Group

The Group held cash and cash equivalents of GH¢47,581,000 (2018:GH¢55,095,000) at the reporting date with banks which are assessed as having a relatively good credit rating.

Company

The Company held cash and cash equivalents of GH¢47,186,000 (2018:GH¢54,765,000) at the reporting date with banks which are assessed as having a relatively good credit rating.

Amount due from related Companies

The Company's exposure to credit risk in respect of amounts due from related parties is minimized. The Company has transacted business with related parties over the years, and there have been no defaults in payment of outstanding debts.

(iii) Liquidity risk

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The Group's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

In addition, the Group and Company maintains the following lines of credit:

(a) Ecobank Ghana Limited

The Company has an unsecured overdraft facility not exceeding GH¢13 million with Ecobank to finance the Company's receivables, additions to inventories and other operational bills. The facility expires on 31 March 2020.

(b) Standard Chartered Bank Ghana Limited

(i) The Company has an unsecured overdraft facility of GH¢20 million with Standard Chartered Bank Ghana Limited to finance working capital. The facility expires on 30 November 2020.

24. Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

(b) Standard Chartered Bank Ghana Limited (cont'd)

(ii) The Company has unsecured loan of GH¢15 million with Standard Chartered Bank Ghana Limited facility. The facility has a tenure of 3 years and attracts a revised interest at 18% per annum.

(c) Societe Generale Ghana Limited

The Company has an unsecured overdraft facility of GH¢22million with Societe Generale Ghana Limited to augment working capital. The facility expires on 31 December 2020.

(d) Absa Bank Ghana Limited

(i) The Company has an unsecured overdraft facility of GH¢10 million with Absa Bank Ghana Limited to finance working capital. The facility expires on 21 June 2020.

(ii) The Group has a secured loan of US$ 11.75 million with Absa Bank (Ghana) Limited. The facility has a tenure of 9 years and attracts interest at 3 months US LIBOR plus a margin of 5.75% per annum.

(e) Stanbic Bank Limited

The Company has an unsecured overdraft facility of GH¢18 million with Stanbic Bank Limited to finance working capital.

(f) GCB Bank Limited

The Company has an unsecured overdraft facility of GH¢17 million with GCB Bank Limited to finance working capital. The facility expires on 30 April 2020.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

Group 2019	Carrying amounts	Contractual Cashflows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Non-derivative financial liabilities						
Loans and borrowings	73,248	95,659	17,080	11,204	33,564	33,811
Lease liabilities	13,095	28,171	4,494	2,842	8,526	12,309
Amount due to related companies	64,881	64,881	64,881	-	-	-
Bank overdrafts	67,348	67,348	67,348	-	-	-
Trade and other payables	397,600	397,600	397,600	-	-	-
	616,172	**653,659**	**551,403**	**14,046**	**42,090**	**46,120**

Group 2018						
Non-derivative financial liabilities						
Loans and borrowings	73,329	87,414	24,843	21,309	41,262	-
Amount due to related companies	85,901	85,901	85,901	-	-	-
Bank overdrafts	75,585	75,585	75,585	-	-	-
Trade and other payables	410,520	410,520	410,520	-	-	-
	645,335	**659,420**	**596,849**	**21,309**	**41,262**	**-**

24. Financial risk management (cont'd)

Exposure to liquidity risk (cont'd)

Company

2019	Carrying amounts	Contractual Cashflows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Non-derivative financial liabilities						
Loans and borrowings	6,438	7,096	5,789	1,307	-	-
Lease liabilities	13,095	28,171	4,494	2,842	8,526	12,309
Amount due to related companies	57,012	57,012	57,012	-	-	-
Bank overdrafts	67,348	67,348	67,348	-	-	-
Trade and other payables	395,222	395,222	395,222	-	-	-
	539,115	**554,849**	**529,865**	**4,149**	**8,526**	**12,309**
Company 2018						
Non-derivative financial liabilities						
Loans and borrowings	11,607	13,923	6,780	5,833	1,310	-
Amount due to related companies	80,508	80,508	80,508	-	-	-
Bank overdrafts	75,585	75,585	75,585	-	-	-
Trade and other payables	408,206	408,206	408,206	-	-	-
	575,906	**578,222**	**571,079**	**5,833**	**1,310**	**-**

(iv) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group and Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Foreign currency risk

The Group and Company are exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency. The currencies in which these transactions primarily are denominated are Euro and US Dollar. The Group does not hedge its foreign currency risk.

Exposure to currency risk

The Group and Company's exposure to foreign currency risk was as follows based on notional amounts:

Group

31 December 2019	EURO	USD	CFA	CHF	GBP
	€'000	$'000	CFA'000	CHF'000	£'000
Trade and other payables	(611)	(4,672)	(1,186)	-	(3)
Amounts due to related companies	(1,369)	(5,631)	(14,474)	(28)	-
Loans and borrowings	-	(11,680)	-	-	-
Cash and cash equivalents	117	2,140	-	-	-
Amount due from related companies	124	601	-	-	-
Trade and other receivables	188	6,112	-	-	-
Gross exposure	**(1,551)**	**(13,130)**	**(15,660)**	**(28)**	**(3)**

24. Financial risk management (cont'd)

Exposure to currency risk (cont'd)

Group

31 December 2018

	EURO	USD	CFA	CHF
	€'000	$'000	CFA'000	CHF'000
Trade and other payables	(1,054)	(14,268)	(1,489)	-
Amounts due to related companies	(1,047)	(8,274)	(9)	(55)
Loans and borrowings	-	(12,805)	-	-
Cash and cash equivalents	72	3,172	-	-
Amount due from related companies	85	336	-	-
Trade and other receivables	-	7,403	-	-
Gross exposure	**(1,944)**	**(24,436)**	**(1,498)**	**(55)**

Company

31 December 2019	**EURO**	**USD**	**CFA**	**CHF**	**GBP**
	€'000	**$'000**	**CFA'000**	**CHF'000**	**£'000**
Related party loan	-	275	-	-	-
Trade and other payables	(611)	(4,432)	(1,186)	-	(3)
Amounts due to related companies	(1,369)	(5,631)	(14,474)	(28)	-
Cash and cash equivalents	117	2,071	-	-	-
Amount due from related companies	124	594	-	-	-
Trade and other receivables	188	6,012	-	-	-
Gross exposure	**(1,551)**	**(1,111)**	**(15,660)**	**(28)**	**(3)**

Company

31 December 2018

	EURO	USD	CFA	CHF
	€'000	$'000	CFA'000	CHF'000
Trade and other payables	(1,054)	(13,676)	(1,489)	-
Amounts due to related companies	(1,047)	(8,274)	(9)	(55)
Cash and cash equivalents	72	3,066	-	-
Amount due from related companies	85	336	-	-
Trade and other receivables	-	7,228	-	-
Gross exposure	**(1,944)**	**(11,320)**	**(1,498)**	**(55)**

24. Financial risk management (cont'd)

Exposure to currency risk (cont'd)

The following exchange rates applied during the year:

	Average Rate		Reporting Rate	
	2019	2018	**2019**	2018
Ghana Cedi:				
Euro 1	6.0915	5.6154	6.4685	5.6946
USD 1	5.4074	4.7242	5.7200	4.9800
CFA 1	0.0090	0.0082	0.0098	0.0087
CHF 1	5.4411	4.8688	5.9071	5.0646
GBP 1	6.9411	6.3402	7.5634	6.3425

Sensitivity analysis on currency risk

The following table shows the effect of a strengthening or weakening of the GH¢ against all other currencies on the Group's equity and profit or loss. This sensitivity analysis indicates the potential effect on equity and profit or loss based upon the foreign currency exposures recorded at December 31 (see "currency risk" above), and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average exchange rate per currency recorded in the course of the respective financial year. The same was done for the prior year.

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December have increased/decreased equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

Group

At 31 December	**2019**			2018		
	% Change	**Strengthening: Impact on equity and profit or loss - increase/ (decrease)**	**Weakening Impact on equity and profit or loss - increase/ (decrease)**	% Change	Strengthening: Impact on equity and profit or loss - increase/ (decrease)	Weakening Impact on equity and profit or loss - increase/ (decrease)
Euro	6%	567	(567)	9%	171	(171)
US$	7%	4,969	(4,969)	5%	1,323	(1,323)
CFA	9%	13	(13)	17%	248	(248)
CHF	9%	14	(14)	7%	4	(4)
GBP	12%	2	(2)	4%	-	-

24. Financial risk management (cont'd)

Exposure to currency risk (cont'd)

Company

At 31 December	2019			2018		
	% Change	Strengthening: Impact on equity and profit or loss - increase/ (decrease)	Weakening Impact on equity and profit or loss - increase/ (decrease)	% Change	Strengthening: Impact on equity and profit or loss - increase/ (decrease)	Weakening Impact on equity and profit or loss - increase/ (decrease)
Euro	6%	567	(567)	9%	171	(171)
US$	7%	422	(422)	5%	613	(613)
CFA	9%	13	(13)	17%	248	(248)
CHF	9%	14	(14)	7%	4	(4)
GBP	12%	2	(2)	4%	-	-

Interest rate risk

Standard scenario that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in the market interest rate. A change of a 100 basis point in the interest rate at the reporting rate would have impacted equity and profit or loss by the amounts shown below:

Group	2019 Increase GH¢'000	2019 Decrease GH¢'000	2018 Increase GH¢'000	2018 Decrease GH¢'000
Interest income impact	228	(228)	187	(187)
Interest expense impact	(1,406)	1,406	(1,489)	1,489
	(1,178)	**1,178**	**(1,302)**	**1,302**

Company	2019 Increase GH¢'000	2019 Decrease GH¢'000	2018 Increase GH¢'000	2018 Decrease GH¢'000
Interest income impact	228	(228)	187	(187)
Interest expense impact	(738)	738	(872)	872
	(510)	**510**	**(685)**	**685**

Fair values

A number of the Group and Company's accounting policies and disclosures require the determination of fair value, for both financial and non financial assets and liabilities. Fair values have been determined for disclosure purposes based on the following methods described below.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rates of interest at the reporting date.

24. Financial instruments (cont'd)

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rates of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Loans and borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rates of interest at the reporting date.

Lease liabilities

Fair value is calculated based on the present value of future payments, discounted at the incremental borrowing rates at the reporting date.

Fair values versus carrying amounts

The following table shows the carrying amounts and fair value of financial assets and financial liabilities. Apart from loans and borrowings and the non-current amount due from related parties, the carrying amounts of financial assets and financial liabilities are a reasonable approximation of their fair values. The fair value of the Group and Company's financial instruments are at level 3 in the fair value hierarchy.

	Group 2019		Group 2018		**Company 2019**		Company 2018	
	Carrying amount	**Fair value**	Carrying amount	Fair value	**Carrying amount**	**Fair value**	Carrying amount	Fair value
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000	**GH¢'000**	**GH¢'000**	GH¢'000	GH¢'000
(i) Financial assets (Amortized cost)								
Related party loan	-	-	-	-	1,573	828	-	-
Trade and other receivables	285,471	285,471	287,674	287,674	284,536	284,536	286,638	286,638
Amounts due from related companies	1,686	1,686	7,606	7,606	9,683	9,683	13,446	13,446
Cash and cash equivalents	47,581	47,581	55,095	55,095	47,186	47,186	54,765	54,765
Total financial assets	**334,738**	**334,738**	**350,375**	**350,375**	**342,978**	**342,233**	**354,849**	**354,849**
(ii) Financial liabilities (Amortized cost)								
Loans and borrowings	73,248	73,580	73,329	72,207	6,438	6,299	11,607	11,398
Lease liabilities	13,095	13,095	-	-	13,095	13,095	-	-
Trade and other payables	397,600	397,600	410,520	410,520	395,222	395,222	408,206	408,206
Amounts due to related companies	64,881	64,881	85,901	85,901	57,012	57,012	80,508	80,508
Bank overdraft	67,348	67,348	75,585	75,585	67,348	67,348	75,585	75,585
Total financial liabilities not measured at fair value	**616,172**	**616,504**	**645,335**	**644,213**	**539,115**	**538,976**	**575,906**	**575,697**

25. Related party transactions

(i) The Company is a subsidiary of Total Outre Mer S. A., a company incorporated in France. The ultimate parent company is Total S.A., a company incorporated in France.

(ii) Chemical additives, bitumen and consumables costing GH¢120,542,155 (2018:GH¢75,682,243) were procured from Total Outre Mer S. A. during the year.

(iii) Included in general and administrative expenses is an amount of GH¢13,382,122 (2018:GH¢13,286,201) in respect of technical assistance fee payable to Total Outre Mer S. A. and GH¢2,481,438 (2018:GH¢2,624,056) in respect of research and development fees to Total Marketing Services.

(iv) Total compensation due to key management personnel of the Group and Company was GH¢5,603,447 (2018:GH¢5,123,642) and GH¢5,294,152 (2018:GH¢4,747,997) respectively. The compensation of the Group and Company's directors includes salaries, allowances and contribution to defined contribution pension scheme. Amounts due from key management personnel was GH¢109,692 (2018:GH¢215,956).

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and Company (directly or indirectly) and comprise the Directors and Senior Management of the Group and Company.

Outstanding balances in respect of transactions with related parties at the year end were as follows:

Amount due from related companies	**Group 2019 GH¢'000**	Group 2018 GH¢'000	**Company 2019 GH¢'000**	Company 2018 GH¢'000
Ghanstock (subsidiary)	-	-	8,051	5,840
Total Outre Mer	-	6,131	-	6,131
Other related parties*	1,686	1,475	1,632	1,475
Current	**1,686**	**7,606**	**9,683**	**13,446**
Ghanstock (subsidiary)	-	-	1,573	-
Non-current**	-	-	1,573	-
Amount due to related companies				
Total Outre Mer	43,109	63,891	43,109	63,709
Other related parties*	21,772	22,010	13,903	16,799
	64,881	**85,901**	**57,012**	**80,508**

*These are parties related by common shareholding and directorship.

None of the balances is secured. No expense has been recognised in the current and prior year for bad and doubtful debts in respect of amounts owed by related parties.

Transactions between the Group and its subsidiary, Ghanstock, comprise recharge of expenses paid on behalf of the subsidiary by the Group and rent income for the sub-lease of a land to the subsidiary.

** The non-current amount due from related parties represents a loan facility of US$275,000 granted to Ghanstock during the current year to enable it meet one of the conditions for restructuring the secured loan (refer to Note 22). The facility has the following terms and conditions.

- The facility is unsecured and has a tenure of 24 months.
- Suspension of interest and principal payments until secured loan is paid by Ghanstock.
- Interest rate of 3 months libor plus 2% per annum.
- First payment due in January 2028.

All outstanding balances with related parties are to be settled in cash within 12 months from the reporting period.

26. Long term leases

	Group and Company	
	2019	2018
	GH¢'000	**GH¢'000**
Balance at 1 January	52,775	44,073
Additions for the year	-	15,416
Amortisation for the year	(176)	(1,313)
Recognition of Right-of-use assets on transition (Note 3.3)	(51,228)	-
Current portion of long term leases	-	(5,401)
Reclass to long term prepayments (Note 35)	(1,371)	-
Balance at 31 December	**-**	**52,775**

The amount of GH¢52,775,000 for 2018 represented lease of a number of lands under operating leases for the construction of various service stations. The leases typically ran for a period ranging from 3 years to 50 years. For some of the leases with an option to renew, payments were renegotiated at the beginning of the new lease term. The Group determined that the land leases were operating leases. The rent paid to the landlords was adjusted to market rentals and the Group did not have an interest in the residual value of the land. As a result, it was determined that substantially all the risks and rewards of the lands are with the landlords. The Group had paid the total lease amounts for the respective periods at the beginning of the leases. These leases were amortized over the life of each lease term.

The current portion of long term leases was reported as part of prepayments.

27. Capital commitment

Commitments for capital expenditure at the reporting date were:

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Capital commitment	**1,293**	**343**

This is in respect of the construction and refurbishment of service stations.

28. Employee benefits

Defined Contribution Plans

(i) Social Security

Under a national defined benefit pension scheme, the Group contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Group's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT. The expense charged to the profit or loss during current year is:

	2019	2018
	GH¢'000	GH¢'000
Group	**1,737**	1,600
Company	**1,707**	1,561

(ii) Provident Fund (Defipro)

The Group has a provident fund scheme for staff under which the Group contributes 10% of staff basic salary. The Group's obligation under the plan is limited to the relevant contribution and these are settled on due the dates to the fund manager.

	2019	2018
	GH¢'000	GH¢'000
Group and Company	**1,302**	**1,084**

29. Capital management

The Group and Company's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern. The Group and Company monitor capital using the ratio of adjusted net debt to equity. For this purpose, adjusted net debt is defined as total liabilities, comprising interest bearing loans and borrowings less cash and cash equivalents. Equity comprises of all components of equity.

The Group and Company's policy is to keep an adjusted net debt to equity ratio at the range of 2.5 to 3.5.

The Group and Company's adjusted net debt to equity at the reporting date was as follows:

	Group	Group	**Company**	Company
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Total liabilities	627,594	655,618	550,392	585,864
Less: Cash and cash equivalents	47,581	55,095	47,186	54,765
Net debt	580,013	600,523	503,206	531,099
Total equity	252,033	189,835	258,977	205,994
Net debt to equity ratio	2.30	3.16	1.94	2.58

30. Subsequent events

On 30 January 2020, the World Health Organisation (WHO) declared an international health emergency due to the outbreak of a novel coronavirus, which originated in December 2019 in Hubei province, China. The WHO declared the coronavirus outbreak to be a pandemic on 11 March 2020 in recognition of its rapid spread across the globe, with over 150 countries, including Ghana and other African countries, now affected.

The outbreak of COVID-19 and the necessary containment measures, which include travel bans, quarantines and social distancing protocols, have resulted in disruption to business and economic activity globally. At the date of authorization of the financial statements, Total Petroleum Ghana Limited is operating as normal. The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore we cannot currently assess the impact it may have on the Company's future operations. The Company will continue to closely monitor the spread of COVID-19 and assess its impact on the business.

31. Going concern

The Group's current liabilities exceeded its current assets by GH¢124,397,000 (2018: GH¢138,244,000) at year ended 31 December 2019. As at that date, the Company's current liabilities also exceeded its current assets by GH¢101,222,000 (2018:GH¢112,371,000). The Directors have negotiated and successfully renewed the overdraft facilities with its bankers. The Group and Company have revolving credit lines with its banks. Both the Group and Company have a history of profitability and continue to remain profitable. The Directors believe that the company will be able to realise its assets and settle its liabilities in the ordinary course of business.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that cash flows arising from the normal course of business will be available to finance future operations of both the Group and Company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

32. Finance cost and income

	Group	Group	**Company**	Company
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Bank interest income earned	**449**	**651**	**449**	**651**
Finance cost on loans and borrowings and leases	**20,566**	**20,243**	**15,699**	**15,535**

33. Non-controlling interest

The following summarise the information relating to the Group's subsidiary that has material NCI, before any intra group eliminations.

	2019	2018
	GH¢'000	GH¢'000
	45%	45%
Non-current assets	77,697	58,901
Current assets	2,019	1,845
Non-current liabilities	(60,058)	(47,876)
Current Liabilities	(26,768)	(27,717)
Net assets	**(7,110)**	**(14,847)**
Net assets attributable to NCI	**(3,200)**	**(6,682)**
Revenue	**9,793**	**10,131**
Loss	**(2,033)**	**(8,548)**
OCI	**-**	**-**
Loss allocated to NCI	**(915)**	**(3,847)**
OCI allocated to NCI	**-**	**-**
Cash flows from operating activities	7,438	4,221
Cash flows from investments activities	(915)	(103)
Cash flows from financing activities	(5,762)	(5,213)
Net increase/(decrease) in cash and cash equivalents	**761**	**(1,095)**

34. Joint User Hydrant Installation (JUHi)

JUHi is an unincorporated equal assets ownership joint operation between 3 participants namely, Total Petroleum Ghana Limited, VIVO Energy Ghana Limited and Ghana Oil Company Limited. It was established through an Agreement for the Joint Ownership and Operation of the Fuel Storage and Hydrant Facilities at the Kotoka International Airport, Accra and its principal activity is the storage of aviation fuels and the provision of into-plane fuelling services.

35. Leases

The Group and Company have lease contracts for various items of leasehold properties, vehicles and other equipment used in its operations. Leases of leasehold properties generally have lease terms between 2 and 50 years, while motor vehicles and other equipment generally have lease terms between 2 and 4 years. The Group and Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Group and Company also had certain leases of leasehold properties and motor vehicles with lease terms of 12 months or less as at 1 January 2019. The Group applied the 'short-term lease' recognition exemption for these leases.

35. Leases (cont'd)

35 (a). Right-of-use-assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group and Company	Leasehold properties	Motor vehicles	Other Equipment	Total
2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
As at 1 January 2019 (transition)	66,587	7,099	-	73,686
Additions	6,815	2,160	556	9,531
Depreciation expense	(6,516)	(3,340)	(265)	(10,121)
As at 31 December 2019	**66,886**	**5,919**	**291**	**73,096**

The Company had total cash outflows for leases of GH¢11,378,000 in 2019.

35 (b). Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
As at 1 January	12,487	-
Additions	9,507	-
Accretion of interest	2,479	-
Payments	(11,378)	-
As at 31 December	13,095	-
Current	5,571	-
Non-current	7,524	-

35 (c). Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Depreciation expense of right-of-use assets	10,121	-
Interest expense on lease liabilities	2,479	-
Expense relating to short-term leases (included in general and administrative expenses)	700	-
Total amount recognised in profit or loss	**13,300**	**-**

35. Leases (cont'd)

35.(d). Maturity Analysis - Contractual undiscounted cash flows

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Less than one year	4,494	10,894
Between one and five years	11,368	7,361
More than five years	12,309	13,517
Total undiscounted lease liabilities at 31 December	**28,171**	**31,772**

2018 - Operating lease under IAS 17	GH¢'000
Lease expense	14,611

36. Long term prepayments

	Group and Company	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	-	-
Additions for the year	354	-
Reclass from long term leases (Note 26)	1,371	-
Balance at 31 December	**1,725**	**-**

Long term prepayments represent down payments made for potential lease of lands and service stations which are currently being negotiated.

13 solar powered service stations and still counting.
Our journey to provide renewable energy has just begun.

Shareholding information

(i) Number of shares in issue

Earnings and dividend per share are based on 111,874,072 (2018: 111,874,072) ordinary shares in issue during the year.

(ii) Number of shareholders

The Company had 4,889 ordinary shareholders at 31 December 2019 distributed as follows:

Holding	No. of holders	Total holding	% Holding
1 - 1,000	2,828	952,878	0.90
1,001 - 5,000	1,595	3,896,862	3.50
5,001 - 10,000	270	1,765,172	1.60
10,001 and over	196	105,259,160	94.10
	4,889	**111,874,072**	**100**

(iii) List of twenty largest shareholders at 31 December 2019

	Number of shares	Shareholdings
TOTAL OUTRE MER S.A.	48,802,560	43.62
TOTAL AFRICA LTD	37,047,592	33.12
SOCIAL SECURITY & NATIONAL INS.TR.	3,084,664	2.76
SCGN/ENTERPRISE LIFE ASSO. CO.	2,386,100	2.13
SCGN/CACEIS FRANCE RE HMG GLOBETRO	1,803,000	1.61
SCGN/EPACK INVESTMENT FUND LTD	1,635,508	1.46
GHANA OIL COMPANY LTD	1,040,528	0.93
SCGN/SS LUX C/O SSB AND T CO, BOSTON	860,000	0.77
SCGN/GH. MED. ASSOC. PENSION FUND	584,700	0.52
HFCN/EDC GHANA BALANCED FUND LTD	582,943	0.52
SCBN/DATABANK BALANCED FUND LTD	503,008	0.45
SCGN/ENTERPRISE TIER 2 OCCUPATIONAL	378,410	0.34
SCGN/ELAC SHAREHOLDERS FUND	376,400	0.34
STD NOM/METLIFE CLASSIC FUND	302,439	0.27
STD NOMS TVL PTY/ENTERPRISE TIER 3	204,075	0.18
DAMSEL/OTENG-GYASI ANTHONY	203,816	0.18
DR. N.L.O. BLANKSON	174,492	0.16
MR. M.K. AFEDO	157,800	0.14
STD NOMS TVL PTY/DATABANK ARK FUND	157,000	0.14
SCGN/PETRA ADVANTAGE PORTFOLIO	138,585	0.12
REPORTED TOTALS	100,423,620	89.76
NOT REPORTED	11,450,452	10.24
GRAND TOTALS	**111,874,072**	**100**

Control rights: each share is entitled to the same voting rights

Changes in shareholding: for the financial year ended 31 December 2019, there were no material changes to the shareholding structure of the Group.

Corporate Social Responsibility

Total Petroleum Ghana Limited (Total Ghana) regards Corporate Social Responsibility as a fundamental contribution to the Ghanaian society. The Company has consistently sought sustainable ways to support the economy in which it operates. The key areas of concentration of the Company are Environment and Safety, Education, Entrepreneurship, Health and Sports.

Safety and Environment

Safety is the number one core value in the Company's business operations.

The Company together with the National Road Safety Commission (NRSC) and the Global Road Safety Partnership, organized a Road Safety Campaign dubbed **Total Safety Cube**. The program focused on less deprived schools located along the highways in Ghana. The team engaged the school children in various demonstrations bordering on safe measures to adopt whiles crossing the road. The children were taught the meanings of important raod signs which they come across when using their routes to school and home. They also had the opportunity to ask questions to clear their thoughts on how to behave appropriately on the road.

Total Ghana collaborated with Voltic Ghana with the Irecycle Project to effectively manage plastic waste collected within Accra and Tema Metropolis. The initiative exemplifies the commitment of the Company towards environmental protection and contribute to Total's ambition to become the responsible energy major.

There are currently thirty-six (36) recycle bins located at selected Total Service Stations in Accra.

The Company provided fuel cards for all the regional offices of the Ghana National Fire Service.

Education and Training

This Company successfully developed four (4) Ghanaian youth through a training and capacity building initiative known as the Young Graduate Program. The trainees received twelve (12) months international exposure in other Total affiliates, having spent six (6) months locally.

The Company provided internships and National Service employment for tertiary institutions through its educational partnership programs. It also successfully organized training for Dealers, attendants and transporters to enhance capacity in the Company's network of stations.

A donation was also made to the ICT laboratory of Kanvili RC School Complex in the Northern Region. Items presented to the school included twenty-four (24) desktop computers with accessories, ICT books, a scanner and printer. This is to improve practical ICT lessons and help promote quality education in the school.

Entrepreneurship

The Company officially handed over cash rewards to the top three (3) winners of the second edition of the Startupper of the Year by Total Challenge with a total amount of GH¢180,000. The ultimate winner in addition, had the privilege to compete at the regional level and was honored as the Top Female Entrepreneur with a week's trip to Paris with all expenses paid.

Health and Sports

Total Ghana has been organizing a Malaria intervention campaign annually to help fight malaria in Ghana.

The Company was the official partner of the African Cup of Nations Tournament which was hosted in Egypt and supported other sports events such as the Asantehene and Damang Golf Tournaments.

OUR BUSINESS PRINCIPLES

We respect all applicable national and international laws and norms.

As a responsible industrial company, we are committed to supporting efficient and properly managed use of our energy sources and products.

We take into account the needs of today's consumers and the interests of future generations. We have an active policy of environmental stewardship that is an integral part of our sustainable development strategy and we provide regular and transparent reports.

Where there is a difference between a legal requirement and our Code of Conduct, we seek to apply the higher standard.

We engage with international, governmental and non-governmental organizations in matters related to our operations and we are responsive to concerns expressed by them.

Our values support our continued growth, for the benefit of our stakeholders, employees, shareholders, customers and suppliers alike while helping to drive economic and social development in our host countries.

Therefore, the Code of Conduct defines Total's commitments and expectations with regard to its stakeholders.

OUR EMPLOYEES

We pay particular attention to employees' working conditions, especially the respect for each individual

We have confidence in the loyalty, motivation, competence and sense of responsibility of our managers and employees.

We believe our development depends on trust and respect between the Group and employees and amongst themselves.

All our staff must bring our values to life through the Total Attitude cornerstone behaviors: listening, mutual support, cross-functionality and boldness.

Employees must ensure that they carry out their daily activities in compliance with the Code of Conduct.

HOST COUNTRIES

The Guiding Principles on Business and Human Rights, adopted by the United Nations Human Rights Council in 2011, set out the obligations incumbent on member states to respect, protect and fulfill human rights.

We respect the environment and culture of our host countries. We respect the sovereignty of host countries and refrain from intervening in or funding the political process. We reserve the right, as appropriate, to let governments know our positions on topics related to our operations, employees and shareholders, as well as our belief in the importance of upholding human rights.

LOCAL COMMUNITIES

We respect the rights of local communities by identifying, preventing and mitigating any impact on their environment and way of life and remedying the situation as needed. We systematically establish dialogue as early as possible to foster lasting relationships with those communities, and we are mindful of opportunities for community development.

We design and implement grievance procedures and corrective measures, particularly on behalf of vulnerable groups, including indigenous peoples.

CUSTOMERS

We provide customers with quality products, services and strive at all times to deliver optimal performance at a competitive price.

Attentive to our customers' needs, we continuously monitor, assess and improve our products, services, technology and processes. Our goal is to deliver quality, safety, energy efficiency and innovation at every step in the development, production and distribution process.

We take steps to ensure the confidentiality of the data our customers entrust to us, in accordance with regulations governing privacy.

SUPPLIERS

With regards to suppliers and contractors, we work in the interests of each party, in accordance with clear, fairly negotiated contract terms. This relationship is based on three cornerstones: dialogue, professionalism and meeting commitments. We choose suppliers that can conduct their business responsibly.

BUSINESS PARTNERS

We apply the Code of Conduct in all joint ventures we control.

Other wise, we do our utmost to ensure that the partner who controls the joint venture adheres to principles that are equivalent to those set out in our Code of Conduct.

SHAREHOLDERS

We strive to earn our shareholders' confidence and provide them with a profitable, long-term investment.

We maintain an ongoing and constructive dialogue with our shareholders through a variety of channels, and regularly provide full and transparent information.

We are attentive to their expectations, concerns and questions on every subject. We comply with applicable stock market regulations and accurately report our operations in our financial statements.

TOTAL GHANA ENGAGES MOTOR MECHANICS

The Lubricants team embarked on an Educational tour dubbed the "**Quartz Edutour"** in Kumasi, Sunyani, Takoradi, Swedru, Techiman, Accra and Tema.

The Edutour brought together over 200 motor mechanics at each location to educate and create awareness on the benefits of using Total Quartz and Rubia range of lubricants.

The Lubricant's Team had a one-on-one session with the mechanics/ lubricant resellers, to educate them on the basic details for the selection of the right oil for servicing and the benefits derived from using Total Quartz and Rubia lubricants.

The Company presented branded mechanic overalls, overcoats, bonnet covers, t-shirts, filter straps and spanners to participants at the seminar.

Total Ghana leveraged on the Edutour to brand some reseller outlets and motor mechanic shops to enhance visibility of the Total brand.

DEALER CONVENTION 2019

Total Ghana organised its 12th annual Dealer Convention under the theme "Sankofa II- YƐ toaso" which means 'Back to basics'.

The two-day programme held at Koforidua, in the Eastern Region of Ghana, brought together all Dealers in the retail network, selected customer attendants and management and staff of the Company. It was an opportunity for the Company to interact with its Dealers and discuss ways of growing the business. The Dealers were challenged to go the extra mile to ensure that the TOTAL brand remained the best in Ghana.

Activities undertaken during the two-day event included brain-storming sessions and presentations by Dealers and marketing staff on the strategies for 2019.

The Company recognised best performing Dealers and Customer Attendants together with their Territory Managers.

The entire Network Team were entreated to strive for excellence by delivering exceptional services to customers.

TOTAL GHANA CELEBRATES AFRICA CUP OF NATIONS

The 32nd edition of the Total Africa Cup of Nations (AFCON 2019), hosted by Egypt was held from June 21 to July 19, 2019.

Total Ghana in the spirit of togetherness that emanates from the Company's corporate values and passion for African Football, celebrated the event locally with full participation for all employees across the country.

During the tournament, customers were given opportunity to instantly win branded goodies with a minimum fuel purchase using a Total Card (B2B, B2C or TROXI). They also gained 1 free bottle with the purchase of 5 bottles of assorted 500ml Coca-Cola products at any Total Bonjour shop.

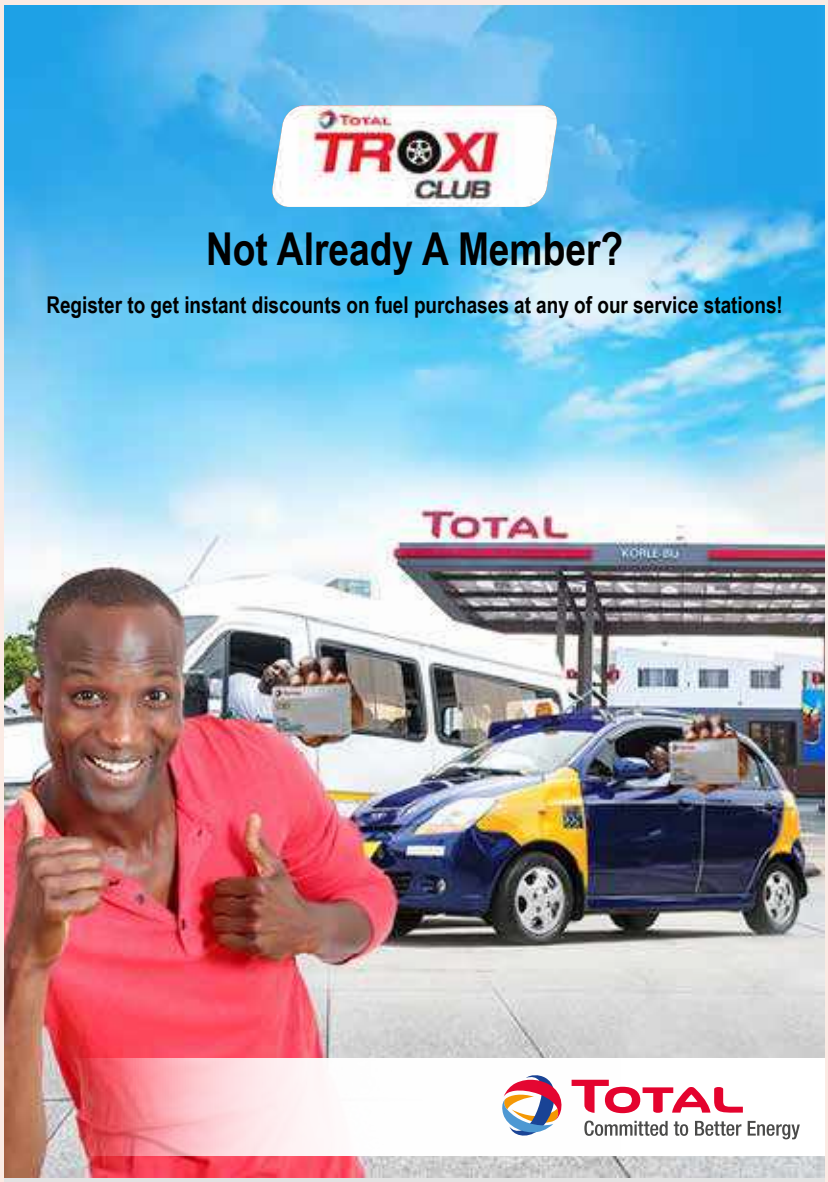
A live commentary in partnership with Asempa 94.7fm was broadcasted at Sesnas, located at Liberation Road Total Service Station. It was all fun and cheers at the AFCON Tournament as Total Ghana brought the passion of the game to its customers.

TOTAL TROXI CLUB CELEBRATES 1 YEAR ANNIVERSARY

After the successful introduction of the Troxi Club in July 2018, TOTAL Ghana has received positive feedback from its commercial customers. The One-year anniversary of the Troxi Club was marked in July 2019 with celebrations across the country.

A Group Personal Accident Insurance Scheme was introduced in July 2019 as part of the Company's efforts to strengthen its relationship with this segment of its customers and to give medical cover to the drivers. Some drivers who had benefitted from this insurance policy commended the initiative by Total Ghana for prioritizing the safety of commercial drivers.

The **"TROXI Friday"** Activations and the **"TROXI Hene/Hema"** Award were also introduced to further delight members of the Troxi Club. During **"TROXI Friday"** held on the last Friday of every month, the first 20 members of the Club to visit each station on that day receive a gift. In addition to this, members with the highest fuel purchase were crowned **"TROXI Hene/Hema"** and rewarded with a special package.



TOTAL GHANA REWARDS OUTSTANDING TRANSPORTERS AND DRIVERS

Total Petroleum Ghana Limited (Total Ghana), rewarded its best performing Transporters at the Annual Transporters' Awards held on 23rd August 2019 in Accra.

The most prestigious award, **'Safety Transporter of the Year'** went to DUAH BOAKYE TRADING AND TRANSPORT LIMITED, based on the exceptional behaviour of its drivers.

For the second time running, Alhaji Ibrahim Awudu of IBRAWUD COMPANY LIMITED won the **'Transport CEO of the year.'** He was recognized for his maximum contribution in retaining his green Inspection Comformite Transport (ICT) status in 2018 and for recording no accident in the year under review.

'The Overall Best Driver' award went to Henry Ajomah of JK HORGLE Transport & Company Limited for not recording any safety violation or product loss.

The **'Best Transport Safety Officer'** went to Francis Dove of JK AHIADOME Transport & Company Limited in recognition of his relentless effort towards retention of his company's green ICT status and for being amongst the first two highest near miss reporters.

The Transporters were advised to adhere to standard safety procedures to always achieve zero accidents and zero fatality in their operations.

TOTAL GHANA INTRODUCES QUARTZ 9000 FUTURE OW-20

Being a leader in lubricants technologies, Total Ghana has over the years delivered unto the market top notch products which bring value to the customer through constant research and innovation.

Quartz 9000 Future 0W-20 was officially outdoored at a colourful ceremony at the Liberation Road Total Service Station in Accra on 11th October, 2019.

The lubricant is a fully synthetic high-performing engine oil specially tailored for optimal operation of the latest generation petrol engine, with or without emission control devices.

The new addition to the Total Quartz range of lubricants is an innovative product designed to meet technological trend in the automotive world and to ensure motorist comfort.

The product delivers reduced maintenance cost by providing excellent engine protection and cleanliness and it ensures cost savings through reduction in fuel consumption and extended oil change interval.

TOTAL GHANA UNVEILS SECOND STATE-OF-THE ART QUALITY VAN

As the leading Oil Marketing Company in the country, Total Ghana's objective is to consistently deliver high quality products and services which meet customer expectations.

On 8th November 2019 an additional Quality Van was unveiled to augment the operations of the existing van.

The Quality Van program is recorded to be the first of its kind to be introduced by an oil marketing company into the country in 2013 with the aim to continually improve and maintain the Company's processes of Quality Management Systems (QMS) in accordance with ISO 9001:2015 and its internal safety and quality standards.

The new ultra-modern quality van has state-of-the-art equipment like special mobile fuel analyzers with capacity to analyze all the parameters of its fuels and lubricants. The laboratory equipment is compact and stand-alone with an in-built personal computer/drive/printer compatibility.

The vans conduct regular on-the-spot pump verification and fuel quality analysis throughout the Company's network of service stations and customer sites across the country. The operations carried out by the vans ensure that the right quality and quantity of the Company's Excellium range of fuels are served to its customers.

TOTAL GHANA APPRECIATES ITS VALUED CUSTOMERS

Total Ghana has presence in all the regions of Ghana with over 250 retail service stations nationwide.

Since starting operations in Ghana over 60 years ago, the Company has been committed to delivering quality products and excellent services to its cherished customers through innovative solutions.

During the **TOTAL AFRICA CUSTOMER WEEK** which took place in November 2019, management and staff of Total Ghana enthusiastically participated in the week-long celebrations.

The Management of the Company interacted with customers and most importantly received feedback which will help improve on the quality of service provided. Many corporate souvenirs were distributed to customers at several service stations nationwide. Management and staff also shared maintenance and safety tips with private and commercial motorists.

As part of the celebrations, Management Committee members together with some non-commercial staff paid visits to General Trade customers to discuss ways of improving the relationship and services offered to them.

The Total Customer Service Week encouraged the active participation of staff in all the departments of the Company which enhanced team building and reiterated the Company's commitment to delivering the best services to its cherished customers.

TOTAL GHANA DONATES COMPUTERS TO KANVILLI SCHOOL IN TAMALE

Education is one of Total Ghana's priority areas as far as Corporate Social Responsibilities (CSR) is concerned and the Company has therefore embarked on several sustainable development initiatives in the educational sector over the past years.

The Company donated to the Information and Communications Technology (ICT) laboratory of Kanvilli RC School Complex located in the Northern Region of Ghana. The items presented to the school included twenty-four (24) complete set desktop computers, a scanner, and a printer. Forty-eight (48) latest edition ICT textbooks recommended by the Ghana Education Service (GES) were part of the items presented to the school.

This was to provide the school children with hands-on experience in ICT and to help promote quality education in the school.

TOTAL GHANA SUPPORTS ROLL BACK AGAINST MALARIA CAMPAIGN

Total Ghana for the past 10 years has been an ambassador in the campaign against malaria.

Under the theme **'zero malaria starts with me'**, the Company embarked on a two-day Malaria Elimination Campaign within Kasoa/Ofaakor environs in the Central Region.

Total Ghana teamed up with the Ghana Health Service to educate women who visited the antenatal mobile clinic at the Kasoa New Market on 23rd April 2019.

During the visit, treated bed nets and mosquito sprays were distributed to all pregnant and lactating mothers present at the mobile clinic.

Over 1,000 school children and teachers from Ofaakor cluster and Nahadatu Islamic Basic Schools also participated in various educative activities including quizzes, sketches and poetry recitals on 25th April 2019. The school children were educated on the consequences of the disease, the importance of keeping basic hygienic practices and most importantly, employing the various preventive measures to fight malaria in the communities.

In all, over 2,000 treated mosquito bed nets were distributed to the school children, teachers and nursing mothers.

Total Ghana has made great contribution towards social interventions in communities to foster growth and development. This action illustrates the Company's commitment in ensuring environmental sustainability.

THE 2019 YOUNG GRADUATE PROGRAMME

The commendable Young Graduate Programme, a Corporate Social Responsibility (CSR) Programme, spearheaded by the Total Group for its affiliates, has entered its fourth year since it was launched in 2016. Four batches of Young Graduates have been produced thus far with a view to continue producing more in the near future.

The Young Graduate Programme is usually launched in the form of an advertisement, which is published in the most widely circulated Ghanaian newspaper, The Daily Graphic newspaper as well as social media platforms such as WhatsApp, Facebook and Twitter.

The purpose of the Young Graduate Programme has always been to select, recruit and train the best possible recently graduated young talents into the Company in a fair, transparent and competitive manner based on the principle of equal opportunity. With our already strong relationships with our Total Education Partner Universities - such Kwame Nkrumah University of Science & Technology (KNUST), University of Mines and Technology (UMAT) and ASHESI University, our candidate pool is an ever-growing one. In addition to this, other prestigious Universities such as University of Ghana (U-G)-Legon and University of Professional Studies, Accra (UPSA) with a track record of top achieving graduates in particular disciplines like Business & Finance, Accounting and Marketing, etc. can hardly be left out. All the Company's past Young Graduates over the years have emanated from these acclaimed Universities.

Thus far, the Company's successful candidate pool has produced twelve (12) beneficiaries for our Engineering, Marketing and Finance fields. Most of them have completed their own Total Young Graduate Training experiences in Total affiliates of France, Sierra Leone, Zimbabwe, Zambia, Mozambique, Kenya, Uganda and Ethiopia. The Company is always excited to bring on board the returned graduates and currently has a majority of them serving with the Company in various capacities.

Every year, 37 African countries participate fully in the Young Graduate programmes with exchanges between countries happening along the line to contribute to a richer training experience.

We continue to look forward to the program's sustainability and growth to flourish young talents in the African sub-region to the highest level attainable.

We owe it all to You

1. **7th Best Company of the year**
   Ghana Club 100 Awards
2. **Lubricant product of the year**
   Ghana Oil & Gas Awards
3. **Petroleum Company of the year**
   Chartered Institute of Marketing Ghana
4. **Off - Grid Energy Solution of the year**
   Ghana Energy Awards 2019
5. **Brand of the year**
   Ghana Oil & Gas Awards

FIVE OUTSTANDING AWARDS IN 2019

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PROXY FORM FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY 15TH DAY OF JULY, 2020 AT 11.00 O'CLOCK IN THE FORENOON

I/We, _____ being Member(s) of TOTAL PETROLEUM GHANA LIMITED, hereby appoint _____ _____ or failing him/her the Chairman as my / our Proxy to vote for me / us, and on my / our behalf at the Annual General Meeting of the Company to be held on Wednesday, **15th July, 2020** and at any and every adjournment thereof.

This Form to be used :-

Ordinary Resolutions

1.	*in favour of against	The Resolution to receive and adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December, 2019.
2.	*in favour of against	The Resolution to declare final dividend for the year ended 31st December, 2019 as recommended by the Directors.
3.	*in favour of against	The Resolution to ratify the appointment of Mr. Wilfried Kondé as a Director of the Company.
4.	*in favour of against	The Resolution to re-elect Mr. Samba Salfal Seye as a Director of the Company.
5.	*in favour of against	The Resolution to re-elect Mr. Rexford Adomako-Bonsu as a Director of the Company.
6.	*in favour of against	The Resolution to re-elect Mr. John Mawuli Ababio as a Director of the Company.
7.	*in favour of against	The Resolution to fix the remuneration of the Directors.
8.	*in favour of against	The Resolution to confirm the remuneration of the Auditors for the year ended 31st December, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

Special Resolutions

9.	*in favour of against	The Resolution to Authorise the Company to effect all changes in the Company's Regulations/ Constitution to make it compliant with the new Companies Act 2019 (Act 992).
10.	*in favour of against	The Resolution to change the name of the Company from Total Petroleum Ghana Limited to Total Petroleum Ghana Public Limited Company (PLC) in compliance with the new Companies Act 2019 (Act 992).
11.	*in favour of against	The Resolution to amend the Company's Regulations/Constitution to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.

On any other business transacted at the Meeting and unless otherwise instructed in paragraphs 1 to 11 above, the resolutions to which reference is made in paragraphs, the Proxy shall vote as he/she thinks fit.

*Strike out whichever is not desired.

Signed this …… day of ……., 2020

……
Signature of Shareholder

SECOND FOLD HERE

Please
affix
stamp

FIRST FOLD HERE

The Secretary
TOTAL PETROLEUM GHANA LIMITED
No. 25 Liberia Road,
P. O. Box 553, Accra, Ghana

THIRD FOLD HERE

THIS PROXY FORM SHOULD **NOT** BE COMPLETED AND SENT TO THE REGISTERED OFFICE IF THE MEMBER WILL BE ATTENDING THE MEETING

1. A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend via online participation.
2. Provision has been made on the Form for MR. SAMBA SALFAL SEYE, the Chairman of the meeting to act as your Proxy, but if you so wish, you may insert in the blank space provided the name of any person, whether a member of the Company or not, who will attend the meeting via online participation and vote on your behalf instead of MR. SAMBA SALFAL SEYE.
3. In case of joint holders, each joint holder must sign.
4. If executed by a Corporation, the Proxy Forms must bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and send via email to REGISTRARS@MYUMBBANK.COM or deposited at the registered office of the Registrar of the Company, UMB, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra, or posted to the Registrar at P. O. Box GP401, Accra to arrive **no later than 48 hours before the appointed time for the meeting.**

Notes

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Head Office
Total House
No. 25 Liberia Road,
P. O. Box 553, Accra
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