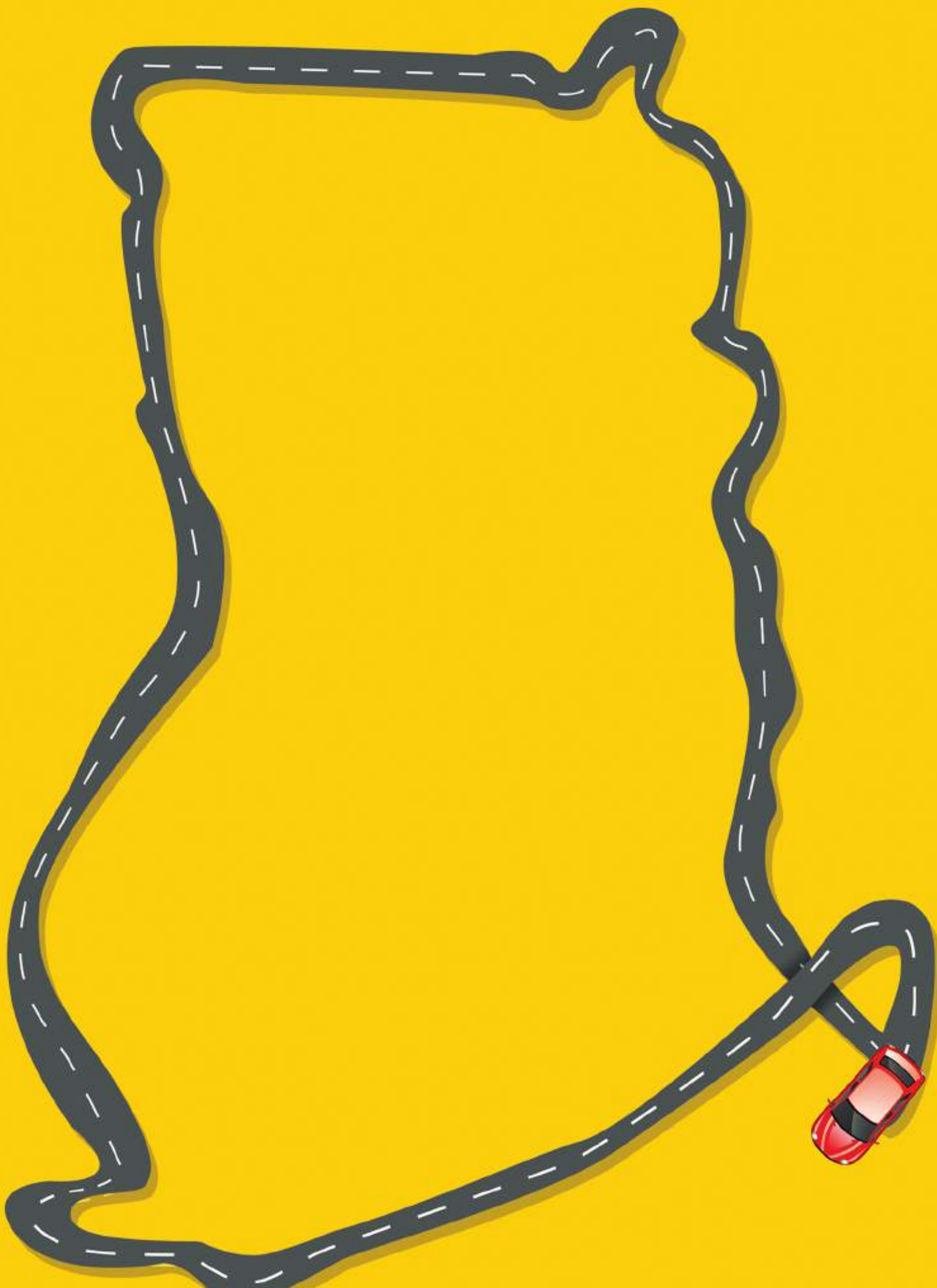
Vivo Energy Ghana
Annual Report & Accounts 2022

THE FUTURE IS NOW

Shell
FuelSave

EXTRA KM
GOES A LONG WAY



GO WELL

According to industry standard and Shell proprietary tests. Helps to protect key fuel system components such as intake valves and/or fuel injectors from the build-up of performance-robbing deposits. Friction reducing molecules help critical parts of your engine. Actual effects and benefits may vary according to vehicle type, driving conditions and driving style.

No guarantees provided. See www.shell.com.gh for more information.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Tenth Annual General Meeting of Shareholders of **Vivo Energy Ghana Limited (the "Company")** will be held **VIRTUALLY via Microsoft Teams and streamed live by video** link from the Head Office of Vivo Energy Ghana Limited on **Thursday 7 September 2023 at 10:00am** to transact the following business:

AGENDA

1. To re-elect Directors;
2. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31 December 2022;
3. To declare Dividends;
4. To authorize the Directors to fix the remuneration of the Auditors;
5. To approve the remuneration of Directors;
6. To consider and to appoint Ernst & Young Ghana to replace PricewaterhouseCoopers (PwC) Ghana Auditors of the Company effective from the conclusion of the Annual General Meeting.

NOTE

A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE MAY APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. COMPLETED PROXY FORMS SHOULD BE DEPOSITED WITH THE COMPANY SECRETARY AT THE REGISTERED OFFICE, **P. O. BOX 1097, RANGOON LANE, CANTONMENTS CITY, ACCRA** NOT LATER THAN **48 HOURS** BEFORE THE APPOINTED TIME OF THE MEETING.

DATED THIS 2ND DAY OF AUGUST 2023

BY ORDER OF THE BOARD

NAA SHIOKOR BOI-BI-BOI
COMPANY SECRETARY

THE FUTURE IS NOW

2022 was a challenging year for businesses in Ghana.

The macro-economics within the market, including high interest rates, inflation and crude oil prices, significantly impacted on our business.

That notwithstanding, as a company, we have remained resilient, tenacious and focused on our growth plan to deliver value for our shareholders, employees, partners and communities.

Our theme, The Future is Now, challenges us to embrace changes in our sector and look to the future with optimism as we explore diverse opportunities to grow our business.

We are on a growth journey: the future is now.

2022 HIGHLIGHTS

REVENUES
GHS million

4,783

+116%

VOLUMES
Million litres

496

-4%

ADJUSTED EBITDA
GHS million

219

+44%

TOTAL NUMBER OF SERVICE STATIONS

237

NET INCOME
GHS million

89.4

+20.6%

TOTAL RECORDABLE CASE FREQUENCY
Per million exposure hours

0

A GROWTH COMPANY ON AN EXCITING JOURNEY

We are a major retailer and distributor of high-quality Shell-branded fuels and lubricants to Retail and Commercial customers across Ghana, with a growing Non-fuel retail offering. Operating in a robust and growing business environment, we make our customers' lives easier and their experience with us more convenient, enjoyable and rewarding. How? By providing quality products and services that meet their needs, supported by high standards of safety, innovation and service – in every area where we operate.

RETAIL

Retail remains the engine that powers our growth. At the end of 2022, our network stood at 237 service stations across the country.

RETAIL FUEL

This involves the sale of Shell FuelSave Unleaded, Shell FuelSave Diesel and Shell V-Power at Shell-branded service/filling stations across the country.

NON-FUEL RETAIL

This comprises Shell-branded convenience retail shops, quick service restaurants and other Non-fuel retail services including lubricant bays and ATMs.

HIGHLIGHTS

Volumes (million litres)

410 -4%

Gross cash profit[1] (GHS million)

307 +75%

1 Includes Non-fuel retail.
2 Excludes Non-fuel retail.

COMMERCIAL

Our high-quality products and excellent after-sales support for our customers has led to our attracting and maintaining our customers over the years. We partner with customers to make sure their business grows.

CORE COMMERCIAL

Core Commercial offers a range of services, including the supply of bulk fuel and lubricants to customers in the construction, manufacturing, agriculture, commercial road transportation and power sectors.

AVIATION

The Commercial business also services both local and international aviation partners through our joint venture partnership (Joint User Hydrant Installation).

HIGHLIGHTS

Volumes (million litres)

71 -5%

Gross cash profit (GHS million)

44 +21%

LUBRICANTS

We sell high-quality lubricants to our Retail and Commercial customers in Ghana, and also export to Nigeria, offering performance products that help customers enhance efficiency.

RETAIL LUBRICANTS

We provide a wide range of leading-edge consumer lubricants at our service station forecourts and lubricant bays, and also at spare parts shops, oil shops, repair shops, service centres and resellers through a network of distributors.

COMMERCIAL LUBRICANTS

We supply specialist lubricants, and also provide end-to-end solutions, to mining companies and B2B customers as well as exporting to Nigeria.

HIGHLIGHTS

Volumes (million litres)

16 -3%

Gross cash profit (GHS million)

76 +36%

THE FUTURE IS NOW

"During the year, the Group's ESG Committee developed and launched the Vivo Energy Sustainability Framework with a focus on People, Planet and Partnerships."

FRANCK KONAN-YAHAUT
CHAIRMAN

Dear Shareholders,

The year 2022 was certainly a challenging one.

According to the World Economic Outlook, global economic growth dropped from 6.0% to 3.2% in 2022, with inflation at an all-time high for many countries. In Ghana, we experienced a significant cost-of-living crisis, with tightening financial conditions that impacted working capital and the profitability of many organisations.

In Ghana, year-on-year inflation stood at 54.1% at the end of December 2022, compared to 12.6% the previous year. Projected GDP growth was estimated to have slowed to 3.2% in 2022, down from 5.4% in 2021. The local currency witnessed significant depreciation against the dollar of 30%, while the lending rate stood at over 35%.

During the year, crude oil prices increased and were above $100 per barrel for a significant period, increasing prices at the pump and impacting consumers.

Despite the many challenging macro-economic headwinds, with our engaged colleagues we were able to make progress.

To alleviate the cost-of-living pressure on our people, the management was able to manage the impact of inflation on pay levels and benefits by providing colleagues with much-needed relief, enabling the company to live its core values of honesty, integrity and respect for people.

Our continual focus on HSSEQ saw us develop the HSSEQ competency of our HSSEQ-critical staff and ensured maintenance and inspection of all HSSEQ-critical assets. Every month, management team members undertake site HSSEQ inspections at our Retail sites and other customer locations, to enforce our HSSEQ culture throughout our operations. We were proud to have achieved 4,383 'Goal Zero' (no harm to people or the environment) days by the end of the year.

Globally, Environmental, Social and Governance (ESG) issues are being given huge focus by businesses.

During the year, the Group's ESG Committee developed and launched the Vivo Energy Sustainability Framework with a focus on People, Planet and Partnerships. This framework guides all our sustainability efforts, going beyond just our community investment initiatives.

In Ghana, we have made significant progress in this area. We invited colleagues to become Green Champions, and now have a small group of colleagues who are accelerating our green initiatives. We have also partnered with like-minded organisations such as United Way Ghana and delivered a host of sustainable initiatives, aimed at both helping to achieve the Sustainable Development Goals (SDGs) and contributing to the growth of our host communities.

Looking forward in 2023, overall GDP growth is projected at 2.8% (with a medium-term average target of 4.3% between 2023 and 2026). Our vision of becoming Africa's most respected energy business anchors our theme for the year: 'The Future is Now'. As an energy company, we will embrace change, maintain our operational culture of focus, simplify and perform, and offer bespoke business solutions to stay relevant in our market. All our work is underpinned by our Code of Conduct and General Business Principles to ensure we always do business the right way.

We will continue to operate and be guided by our core values of honesty, integrity and respect for people to deliver good returns for our shareholders.

Thank you for your ongoing and continued support for our business.

FRANCK KONAN-YAHAUT
CHAIRMAN

MANAGING DIRECTOR'S STATEMENT

WE ARE RESILIENT

"We managed to keep our business operational in the face of challenging macro-economics."

KADER MAIGA
MANAGING DIRECTOR

The year 2022 was quite a challenging year. As a business, we had our fair share of the economic challenges in our market. With an adverse effect of the Russia-Ukraine war on crude oil prices, high inflation rate, and significant depreciation of the cedi against the US dollar resulting in high costs of doing business, we managed to keep our business operational in the face of challenging macro-economics.

Highlights of our performance during the year under review are shown below:

HSSEQ

At Vivo Energy Ghana, we are proud to say that Health, Safety, Security, Environment and Quality (HSSEQ) is our licence to operate and we strive to improve the safety culture of our operations and people who are core to achieving all our safety KPIs for 2022.

We achieved 4,383 Goal Zero days of no harm to people, assets, environment and our reputation.

As part of our business assurance, we focused on improving the competency of our HSSEQ-critical staff and contractors, implementing our asset reliability and integrity programme in SAP, and reviews of Hazard and Effect Management Processes (HEMPs) that manage all risk in our operations. We also tested our Emergency Response Plans, Business Continuity and Contingency Plan and Crisis Management Plans to show our resilience to any unfavourable business situations.

To ensure an improved HSSEQ culture across our operations, management was tasked with conducting visible leadership site visits across all our stakeholders. This has helped improve understanding of the HSSEQ ways of doing things with our customers.

Road Transport activity, the highest risk operation area in our business, made a total of 10,730 trips and 2,858,400 km without any major and recordable incident.

RETAIL

2022 once again saw Retail at the forefront of driving the business recovery and growth. We continued to increase our footprint in the country by adding nine new stations to our network. We also renovated our Dansoman service station into an ultra-modern site, with expanded services and offers from Burger King and Starbites for the benefit of our cherished customers.

Our contribution to the overall business volume was 83%. Our Average Throughput (ATP) remained strong at 145m^3, being one of the highest in the industry. We also maintained our second position in terms of market share, closing the year at 11.84%. Through the company's 'Shining sites' programme, we upgraded an additional 25 existing retail sites to improve their look and feel as well as enhance customer experience.

NON-FUEL RETAIL

The Non-fuel business of the Company, which comprises convenience retail, food and the other Non-fuel retail, was gravely impacted by the significant decline in the country's currency by over 60%. The business, however, was resilient in that Non-fuel retail, through innovations such as the Outdoor Laundry and other partnerships, sustained the growth momentum of the business. Despite the closure of 12 shops, either due to road construction or lease expiration, the business managed to add eight new ATMs, refurbish six shops to improve their aesthetics, and add four new restaurants, including Burger King, at Dansoman. Additionally, three new shops were added to our count of shops in the year under review. In local currency terms, the business grew by 43% above 2021 and 1% above the plan for 2022. However, in US dollar terms, the business recorded a decline of 5% over 2022.

COMMERCIAL

Our Commercial business volumes were down by 5% year-on-year. The impact of reduced construction activity in the sector mainly accounted for the decline in the year-on-year growth. This was seen in the performance of both bitumen and fuel.

Gross cash unit margin was up by 27% compared to 2021, while gross cash profit increased by 21% on the prior year, with good contributions from all business lines, with the exception of bitumen which was impacted heavily by Difference in Exchange (DIE).

Strong performance from the commercial lubricants segment (B2B and mining lubes) ensured that financial commitment for the business was achieved.

Volume contribution from aviation declined by 8% compared to the previous year; nonetheless, the margin contribution was positive.

LUBRICANTS

We delivered a steady Lubricants business performance, with gross cash profit increasing by 36%, even with a 3% decline in volume. This was achieved generally through strengthening strategic partnerships with key retailers, distributors and commercial customers, enabling the company to reach new customers and expand its market share in the highly competitive lubricants market. We have also achieved this despite adverse market challenges, helping us maintain our position as a key supplier of high-quality lubricants for various industries, including automotive, industrial, marine and mining.

MARKETING

Our marketing agenda in the period 2022 had a dual focus, with the aim of building a stronger brand connection with our customers while giving them both quality and value-add through experiential initiatives. These were so designed to keep our Shell brand front of mind for customers, even as they contended with the tough economic crisis following the combined effects of COVID-19 and the Russia-Ukraine war. Under such conditions, it is quite challenging to keep customers' attention and that is where the focus on providing value-added initiatives goes a long way to support our customers.

In view of the above, we started the year in Q1 with a National Consumer Promotion on fuels, which sought to reward our cherished and loyal customers for their patronage even in the face of escalating fuel prices. 2022 had two such National Consumer Promotions, as a second promotion was executed in Q4 for both fuels and lubricants. The investment behind the two customer promotion campaigns was supported by both traditional and digital above-the-line communication on radio and TV, forecourt theatre branding and our various social media handles. Augmenting the below-the-line customer promotions with above-the-line campaigns helps us to ensure that the customer can connect what they hear about our brands with what they see and experience at our stations.

To drive brand affinity, we brought to life our 'Difference of Extra' Fuels Campaign, leveraging radio, forecourt theatre branding and our social media handles. The main essence of the campaign was to elaborate on our differentiated Shell fuels and their benefits in terms of the Extra Cleaning, Extra Protection, Extra Efficiency, Extra Kilometres and Extra Savings for our customers and to give them the reasons to believe these claims.

Our Commercial segment was not left out, as we sought to design an improved Customer Value Proposition for this segment. With this improved proposition, we extended our support in terms of medical insurance to now cover commercial drivers as well as their spouse and children. We took the value proposition further by also giving them an opportunity to leverage their loyalty points to part-pay for their vehicle insurance. These were so designed to give extra support to commercial drivers through the tough economic conditions.

As a business, we strive to remain relevant to our customers and other stakeholders, providing them with products, services, campaigns and initiatives that continue to delight them and meet them at their point of need.

SUPPLY AND DISTRIBUTION

To provide the most competitive and reliable supply chain, we continue to provide fit-for-purpose technical and other support services, leveraging our expertise in operations and innovation, in a cost-efficient and safe manner to ensure customer satisfaction and to support business growth.

In line with our aspiration to be the reference point in supply chain and other related technical services, we engage in practices and behaviours that promote efficiency in distributing our products and provide best-in-class support services to gain clear competitive advantage in the industry. Our objectives remain focused on the areas of customer delivery, product security and competitive pricing, product quality, asset integrity and utilisation, cost-efficiency and HSSEQ.

Through strong partnerships with trusted transport companies, who have been adjudged to be among the top professionals in the Vivo Energy Global Haulier Assessment programme, we continue to support efforts in the industry to have safe and incident-free road transport operations. Our transporters continue to invest their time and effort in efficiently managing the four key areas of driver competence: vehicle selection and maintenance, journey planning, monitoring and control, and HSSEQ to continue improving safety performance in road transport operations.

Our relationship with Shell affords us access to the most advanced products – driving better engine efficiency, reducing fuel consumption and, therefore, reducing emissions.

HUMAN RESOURCES

We continuously strive to create an environment where employees are excited to commit to the work, goals and values of the company in an open culture where opinions are heard and valued. We work closely with line managers and staff associations on people issues and implement actions accordingly. In 2022, we continued to conduct random pulse checks with staff to ensure alignment, and where suggestions given by staff make business sense, and have the potential to improve ways of working, they are implemented.

A key highlight to mention are the initiatives implemented on health and wellbeing, such as quarterly health talks, teambuilding exercises, office games and company sponsored gym activities.

Employee recognition and celebration were also a key highlight in 2022, where over 30 employees received bespoke personalised congratulatory notes from myself with others receiving monetary awards and certificates for attaining key milestones in the business.

In line with our goal to create a performance-driven, dynamic enterprise with the competency to deliver long-term benefits to employees, customers and the local communities in which we operate, learning and development continues to be an integral part of our approach to talent and performance management. We have structured development plans in place to constantly build the skills and capabilities of our people. We have also made learning and self-development an integral part of the organisation's culture through what we call 'My Learning Zone', where everyone has access and the opportunity to constantly upgrade their knowledge and skills.

SOCIAL PERFORMANCE

We continue to engage our partners and project communities to better understand their needs and concerns, and to develop solutions of mutual benefit and provide an enabling environment for our growth. This is important to us because we employ local people and source from local businesses and suppliers. By doing so, we will be creating Africa's most respected energy business.

In our communities, Vivo Energy Ghana continues to champion road safety through a partnership with the National Road Safety Authority. Our annual flagship road safety programme, titled STOP, THINK & DRIVE, is aimed at improving road safety consciousness among high-risk commercial drivers and motorcyclists, which will, in turn, provide enhanced and safer transport services to commuters. Last year's campaign brought together over 1,500 commercial drivers and motorcyclists in the Greater Accra, Brong Ahafo, Ashanti, Central, Western and Northern regions. Participants were taken through a comprehensive driving training module to encourage drivers to practise road safety to help reduce road traffic accidents. Free eye screening services were also provided for commercial drivers by health workers.

The development of a nation thrives on education. That is why, in Ghana, we have believed in and supported any effort geared towards improving education. In partnership with Worldreader and the Ghana Library Authority, we funded and launched phase two of the Vivo Energy Ghana Community Digital Literacy Project in the Tamale Metropolitan area to expand the scope and reach out to more schoolchildren with relevant educational content to improve their reading skills.

To complement the government's efforts in providing education infrastructure for schoolchildren, Vivo Energy Ghana also renovated a three-unit classroom block for St Peter's Primary School at Poasi-New Takoradi, in the Sekondi-Takoradi Metropolis of the Western Region. In addition to the renovation, we furnished the school block with dual classroom desks, teachers' desks, bookshelves, whiteboards and ceiling fans. Other existing classroom blocks were also repainted to give the school a facelift.

In the area of environmental stewardship, our partnership with United Way Ghana focuses on creating opportunities through well-structured Environmental Club activities to inspire underprivileged young learners to develop interests in keeping the environment clean and to be innovative in turning recyclable materials into different inventions.

OUTLOOK

We anticipate a recovery of the economic challenges with positive effects on the business environment as we continue to provide our customers with high-quality products and bespoke services while creating value for our shareholders.

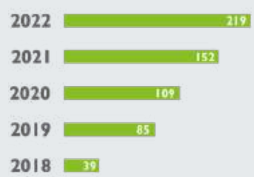
KADER MAIGA
MANAGING DIRECTOR

Net income
GHS 89.4M

HSSEQ
0

Strong HSSEQ performance with Total Recordable Case Frequency of 0 incidents per million exposure hours.

Adjusted EBITDA
GHS million



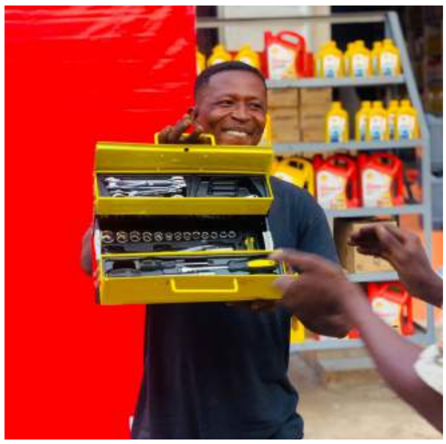
Volumes
million litres

COVID-19 & OTHER GLOBAL CRISES

The intensity of COVID-19 in Ghana reduced significantly as in other parts of the world. This resulted in the relaxation of measures by government and health authorities put in place to mitigate against widespread infections. Thus, from a health perspective, 2022 was by far a better year than the previous two years.

The introduction of COVID-19 protocols and vaccinations contributed immensely towards the abating of the pandemic. As at 31 December 2022, the total reported COVID-19 cases since the start of the pandemic stood at 171,048 cases, with a total of 1,461 lives lost. The total of new cases reported in 2022 was approximately 28,000 compared to a total of over 140,000 in 2020–2021. As at the end of December 2022, there were only six active cases being monitored in the country, with no new cases and no new deaths being recorded. However, it was to be expected that, with end-of-year festivities, there was a chance of infection and counter-infection taking place through enhanced social activity.

The intention of the government of Ghana was to leverage vaccinations to curb the pandemic and to drive recovery and economic growth as containment measures are lifted. However, 2022 also saw another market challenge arise in the form of significant local currency devaluation on the back of the Russia–Ukraine war. Our economic growth of approximately 7%, experienced between 2017 and 2019, was halted by the COVID-19 pandemic and further deepened by the aftermath of the Russia–Ukraine war. While GDP growth slowed down, inflation also raced to an all-time high.



MARKET DRIVERS

MACRO AND INDUSTRY TRENDS:

It can be said that the world all over, including the African continent, made significant gains in its fight against the COVID-19 pandemic in 2022, amidst a seemingly accelerating pace of climate change and, even more recently, the economic impacts of the Russia–Ukraine war. The series of severe and mutually reinforcing shocks – the COVID-19 pandemic, the war in Ukraine and resulting food and energy crises, surging inflation and debt tightening, as well as the climate emergency – battered the world economy in 2022. Against this backdrop, world output growth slowed in 2022 to 3.2%, more than 1 percentage point weaker than expected at the end of 2021. Economic growth in sub-Saharan Africa (SSA) slowed to 3.6% in 2022, from 4.1% in 2021. The persistent sluggishness of the global economy, declining yet high inflation rates, and challenging global and domestic financial conditions amidst high levels of debt summarises the overall economic condition.

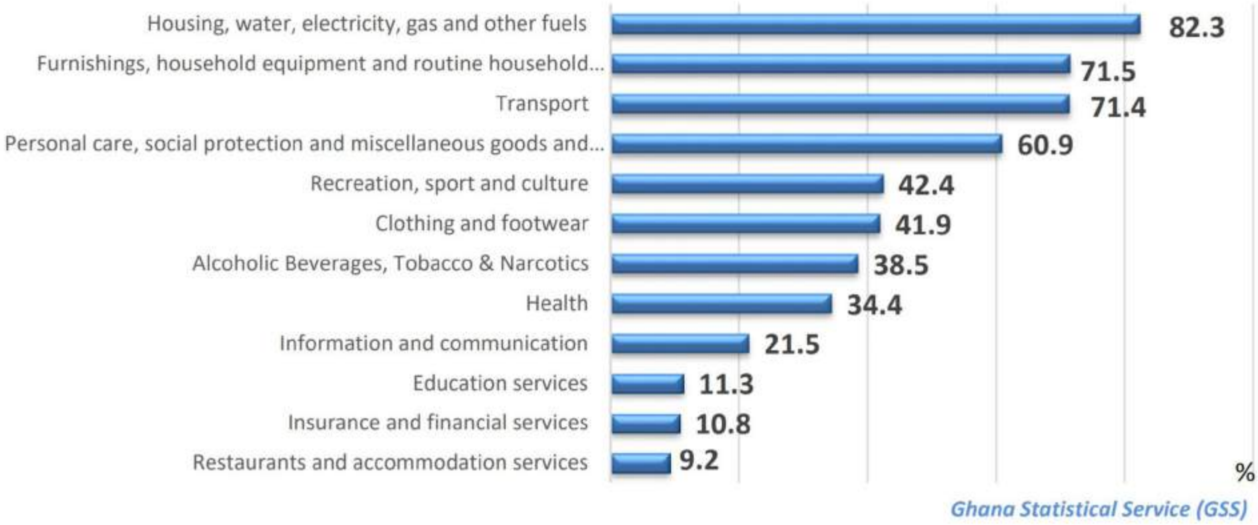
Russia's war in Ukraine has disrupted Africa's promising recovery from the COVID-19 pandemic by raising food and fuel prices, disrupting trade of goods and services, tightening the fiscal space, constraining green transitions and reducing the flow of development finance in the continent. By the end of 2021, Africa exceeded expectations of a 3.7% GDP growth, recording a 4.5% growth and showing its resilience and its muscle to bounce back.

The real impact on the African economy was related to the level of dependency on oil and gas exports or imports, tourism, and imported grain and fertiliser, among others, resulting from the skyrocketing of energy prices and high inflation in many Western countries, which, in turn, led to imported inflation and, thus, the increased cost of living in several African countries. Global oil prices soared to more than $120 a barrel amidst concerns about a shortfall in global supplies from Russia. However, as the global economy slowed down in 2022, oil prices also began to drop towards the end of the year.

Ghana, despite being a net exporter of crude oil, also suffered under the high crude oil prices as its currency also experienced massive devaluation during the period. Its Tema Oil Refinery (TOR) has not been operational since June 2018 due to lack of crude oil, which served as a raw material for the refinery in the early days of being idle. Aside from the inadequate crude oil in the country's only oil refinery, TOR is faced with other challenges like broken equipment and piled debt, among others.

Hence, the importation of crude oil and petroleum products at all-time highs meant high inflation for Ghana given that fuel prices are a key driver of inflation in the country. The year-on-year inflation rate as measured by the CPI was 54.1% in December 2022 (a two-decade high) with Food and Non-alcoholic beverages recording a year-on-year inflation rate of 59.7% in December 2022 while the Non-food group recorded a year-on-year inflation rate of 49.9% in December 2022. In the Non-food group, items such as energy and transport were among the top three inflation drivers and, hence, major determinants in the cost of living.

Figure 5: Year-on-year inflation rates (%) by COICOP major groups, December 2022



MACRO AND INDUSTRY TRENDS:

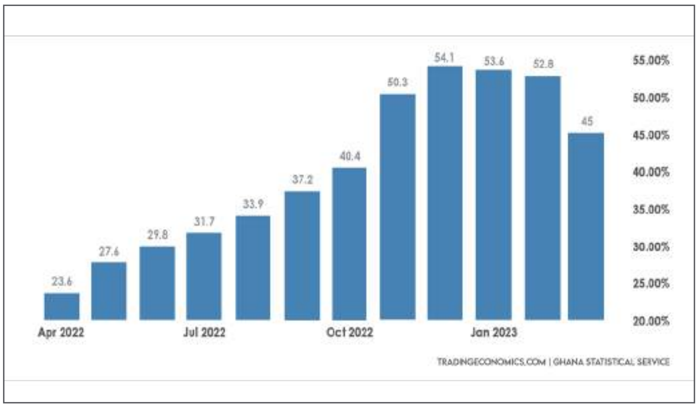
Ghana, in the past two decades, has taken major strides towards democracy under a multiparty system, with its independent judiciary winning public trust. Ghana consistently ranks in the top three African countries for freedom of speech and press.

Success for the coming years will depend on the government's ability to drive consensus building in areas such as legislation, including revenue-mobilising bills, towards achieving debt sustainability, and reaching an agreement with external creditors on external debt restructuring in order to conclude the IMF programme under preparation.

RECENT ECONOMIC DEVELOPMENTS

GDP growth is estimated to have slowed to 3.2% in 2022, down from 5.4% in 2021. High inflation and interest rates depressed private consumption and investment. Government demand was weakened by lack of access to capital markets and high debt service obligations.

Inflation accelerated throughout the year. In 2022, average CPI inflation was 31.5% (up from 10% in 2021) and reached 54.1% in December (year-on-year). The Bank of Ghana (BOG) responded by increasing the monetary policy rate from 14.5 to 28% over the year. However, these efforts were undermined by the government's extensive use of its overdraft facility with BOG (estimated at 6.7% of GDP in 2022). After remaining stable in 2021, the cedi lost over 40% of its value against the US dollar in 2022.

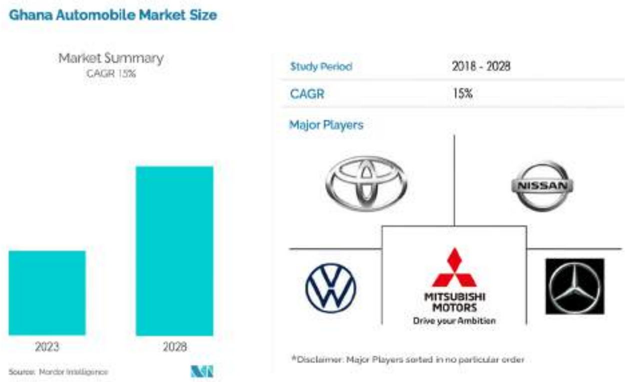


Poverty reduction slowed. The 'international poverty' rate was estimated at 20.5% in 2022. Currency depreciation, increased price of electricity and water, and an increase in VAT have driven up the cost of living, particularly for food. This places considerable strain on household budgets for necessities such as food, utilities and energy.

The economic situation has led the government to concede and return to the IMF programme to help mitigate against increased financial sector vulnerabilities, and the realisation of contingent energy sector liabilities.

INCREASING CAR NUMBERS

The Ghanaian automobile market is expected to reach US dollar 10.64 billion, registering a CAGR of 15% during the forecast period.



As a result of the outbreak of COVID-19, and the Russia–Ukraine War, the automobile industry in Ghana faced considerable delays due to supply chain disruptions in major automotive production hubs worldwide, leading to delays in the shipment of critical auto components to carry out vehicle assembly operations.

The automobile industry in the country consists of retailers of imported used vehicles and a few distributors who deal in newly manufactured vehicles. The country imports about 100,000 vehicles per year. The automobile industry contributes a quarter of the country's GDP. However, in 2022, it was estimated to account for at least 30% of GDP. Ghana is the third-biggest economic country among West African countries. Its automobile industry is dominated by a few leading manufacturers including BMW, Daimler, Nissan, Mitsubishi, Volkswagen, Hyundai, Toyota and Suzuki.

These major vehicle manufacturers are expanding their production facilities across the country, which is likely to witness major growth in the market. For instance, in April 2022, Nissan Motor Co. Ltd opened a new car assembly plant in Ghana. The new assembly facility can produce more than 31,000 vehicles per year. In June 2021, Toyota Motor Corporation opened its second vehicle assembly plant in Ghana. With the new assembly plant, used vehicle imports were reduced while exports increased. Toyota invested an amount of USD 7 million in the new assembly plant with an annual production capacity of around 1,330 units.

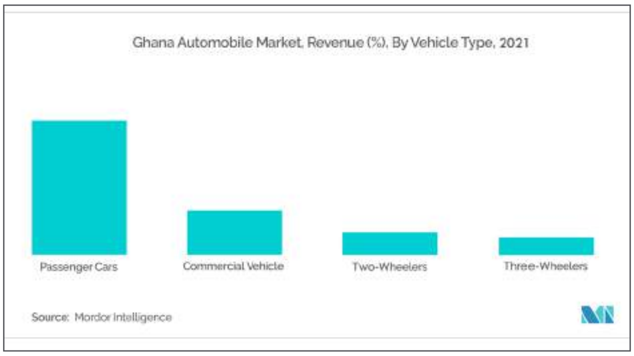
MARKET OVERVIEW

In March 2022, Silver Star Auto Limited inaugurated an assembly plant in Tema, Ghana. The assembly plant produces the PEUGEOT 3008 and will soon produce the all-new LCV 1-ton pickup PEUGEOT Landtrek.

The Government of Ghana attracts investment in vehicle assembly from leading original equipment manufacturers (OEMs) and investment partners to promote manufacturing facilities across the country. The Ministry of Trade & Industry developed a comprehensive package of incentives and policy measures to support the establishment of an automobile assembly and component manufacturing industry as a strategic anchor of industrialisation and a new pillar of growth in Ghana.

Second-hand imported vehicles dominate the passenger vehicle segment. Import restrictions on specific categories of vehicles (vehicles older than ten years and salvaged/accident vehicles) contributed to the increase in new car sales. However, due to low disposable income and high costs associated with new vehicles, used vehicles dominate Ghana's automotive retail sector. These vehicles are mainly imported from regions with low resale or residual values of used vehicles like Europe, Japan and the United States.

A common trend that can be seen is that a small percentage of new vehicles compete against a strong influx of much cheaper imported used vehicles. Vehicles tend to appreciate due to the limited supply of vehicles and import duties.



INCREASING POPULATION AND EMERGING MIDDLE CLASS

The population of Ghana in 2022 was 33,475,870, a 1.96% increase from 2021. The population growth rate has been slowing since the early 1980s and growth in 2022 has been the lowest since then. More than 50% of citizens are under the age of 25, providing a stream of tech-savvy and eager consumers for the potential retail market. Although the dependency ratio stands at 73%, most of this comes from the youth dependency ratio, which is 67.2%. As such, the dependency ratio is expected to shrink rapidly in the coming years as the working-age population swells and brings more purchasing power to the consumer base. The country already compares favourably with other African markets in terms of income levels. Ghana is one of just six countries in sub-Saharan Africa in which the middle class, composed of individuals with a daily income of at least $8.44, exceeds 1 million people.

INDUSTRY TRENDS
DIGITAL

Digital is one of Ghana's best-performing sectors and grew, on average, by 19% per year between 2014 and 2022. Today, Ghana is among the digital leaders in sub-Saharan Africa. It is expected that expanding digital access and adoption, enhancing digital public service delivery and promoting digitally enabled innovation are essential for Ghana's digital transformation, which will help drive a robust post-COVID-19 economic recovery: hence, the Ghana Digital Acceleration Project in Ghana supported by the World Bank at a value of $200 million. This project is expected to increase access to mobile internet and broadband services for 6 million people by encouraging private sector investment in last-mile connectivity in underserved rural areas. It will also promote digital inclusion for women, persons with disabilities and rural communities through regulatory updates and investments, among others. This will help to remove barriers to broadband and digital service access for Ghana's lowest-income people and close the regional digital gap.

Ghana's internet penetration rate stood at 68.2% of the total population, with 23.05 million internet users at the end of 2022, compared to 53% the prior year – an indication of the strong growth in digital penetration in the country.

Ghana is home to some 6.60 million social media users, equating to 19.5% of the total population and a total of 43.88 million cellular mobile connections active in Ghana, with this figure equivalent to 129.8% of the total population.

The growth in the use of digital technologies is greatly transforming ways of working in both social and business settings, as customers crave more convenient ways of doing things. It continues to create positive platforms for customer engagements and helps to make life simpler, faster and better for our customers as we strive to leverage these technologies to provide better payment solutions for our customers, for example.

OUR STRATEGY

Our strategy has enabled us to grow in our industry to become one of the leading oil marketing companies in Ghana and remain relevant in our market. Our growth journey hinges on our three strategic pillars.

3 WE HAVE THREE STRATEGIC PILLARS:

1. MAXIMISE VALUE from Retail fuel
2. ACCELERATE GROWTH from the rest of the core business
3. EVOLVE THE BUSINESS MODEL to serve customer needs

INITIATIVES

1 MAXIMISE VALUE

RETAIL

- Optimising and upgrading our network
- Adding new sites each year: net of five new stations added during the year
- Shining our existing sites: a total of 24 stations upgraded

2 ACCELERATE GROWTH

NON-FUEL RETAIL OFFERING

- Increasing our convenience retail footprint
- Building a substantial food business in our service stations
- Diversifying other Non-fuel retail offerings

COMMERCIAL FUEL & LUBRICANTS

- Driving B2B market share growth
- Growing distributor volume market share
- Growing our lubricants business
- Increasing focus on aviation and construction

3 EVOLVE THE BUSINESS MODEL

SOLAR

- Developing solar solutions for our depots and offices

NEW INITIATIVES

- Investigating and developing new customer offers on our retail sites: e.g. outdoor laundry, battery swap, EV charging stations, LPG cylinder point of sale
- Leveraging our core foundational assets to grow

OUR STAKEHOLDERS

We engage, listen to and collaborate with a wide range of stakeholders to grow our business and deliver value.

5 WE HAVE FIVE KEY STAKEHOLDER GROUPS:

1. OUR PEOPLE
2. CUSTOMERS
3. PARTNERS
4. COMMUNITIES
5. GOVERNMENTS

Engagement with our stakeholder groups plays an important role throughout the business. It helps us gain a better understanding of the impact of our decisions on stakeholder interests as well as insight into their needs and concerns for the long-term success of our business.

1 OUR PEOPLE

We want our people to be safe, highly engaged and focused on doing business the right way while delivering high business performance.

2 CUSTOMERS

We want to offer our customers the best platform in the market, providing an exceptional customer experience, a wide range of customer value propositions and exciting Non-fuel retail offerings.

3 PARTNERS

We want to support our partners to always be focused on doing business the right way as we strive to achieve our mission of becoming the most respected energy business in Ghana.

4 COMMUNITIES

We want to make a real and lasting difference in our communities, engaging with them to earn their respect and trust, supporting them and promoting a better quality of life and more sustainable future.

5 GOVERNMENTS

We want to maintain good relationships with our host government and regulatory agencies, departments and ministries.

An engagement with a business partner on a site visit by the Executive Vice President, West Region (left) and the Managing Director of Vivo Energy Ghana (right).

OUR CULTURE, VALUES AND PURPOSE

Since 2013, when we began operations in Ghana, we have been guided by our operational culture of focus, simplify and perform. Our values of honesty, integrity and respect for people guide our interactions with our stakeholders.

The Vivo Energy Ghana head office located in Cantonments, Accra.

THE VIVO ENERGY WAY

At Vivo Energy Ghana (VEGH), our values of honesty, integrity and respect for people are integral in what we do and drive our vision of becoming Ghana's most respected energy business.

The previous employee engagement survey showed that 85% of employees believe that we are delivering on our Purpose – to safely provide innovative and responsible energy solutions for Africa, which enable growth and development of the continent and its people.

As a performance-driven organisation, regular engagement of our employees is key to delivering our plan. We keep our people regularly informed about our business through interaction with their managers, employee town hall meetings, newsletters and via our intranet.

Our values of honesty, integrity and respect for people guide our teams and how we conduct ourselves in the communities in which we operate.

We seek to maintain constructive relationships with our local labour unions and have localised union agreements and guidelines in place, as applicable.

DOING BUSINESS THE RIGHT WAY

Vivo Energy Ghana has a reputation for doing business the right way and this has governed our interaction with our employees, our customers, those with whom we do business and our shareholders.

Our Code of Conduct and General Business Principles (both available on our website) are the bedrock of our business and we live them without compromise. We ensure all our stakeholders are part of the process at any stage of their interaction with us. Our new employees complete an online induction programme, which explains our policies thus helping them to integrate into the organisation quickly and comprehensively.

We have a detailed counterparty screening process in place, which is formalised in the Vivo Energy Know Your Customer (KYC) Policy. The screening process gives us comfort in knowing our business counterparties and that the ethics and values of our counterparties align with our core values. We include our Business Policy and Anti-Bribery & Corruption Policies in all contracts with counterparties.

ANTI-CORRUPTION AND ANTI-BRIBERY

Vivo Energy Ghana is committed to becoming the most respected energy business in Africa. As part of that commitment, our objective is to establish an effective Anti-Bribery Management System. This includes implementing effective measures, procedures and processes designed to prevent, detect and address bribery and corruption. In the end, Vivo Energy Ghana strives to become a business that not only has a zero tolerance towards bribery and corruption but is an industry leader in their prevention.

Every employee receives mandatory training on topics such as Anti-bribery and corruption, Anti-money-laundering, and our Code of Conduct monitored by our Ethics & Compliance office. Each employee is required to submit a Conflict of Interest declaration every year, confirming their understanding of our compliance policies. These declarations are reviewed and approved by line managers, after which a detailed risk assessment is conducted by the Ethics & Compliance Office. Corrective measures are recommended and implemented by the Ethics & Compliance Office where required.

HUMAN RIGHTS

Vivo Energy Ghana is committed to respecting, upholding and applying the highest human rights and ethical standards within our business. Our approach is guided by the 10 Principles of the United Nations Global Compact ('UNGC') and our national laws and policies on human rights. The UNGC principles are given effect through Vivo Energy Group policies, including our General Business Principles, our Health, Safety, Security and Environmental Quality Policies, our Social Performance Policy, Employee Code of Conduct, Supplier Code of Conduct and Modern Slavery Policy. Our human rights principles are embedded in all contracts executed with our partners to ensure our partners and stakeholders are aligned with our position on human rights.

DISCRIMINATION

Vivo Energy Ghana does not tolerate discrimination based on any arbitrary grounds such as gender, age, religious belief or creed, race, ethnic or social origin, marital status or pregnancy, family responsibility, culture, HIV status and disability.

DIVERSITY & INCLUSIVENESS

Vivo Energy Ghana actively seeks to foster and enable a working environment that encourages a diverse workforce and, particularly, ensures equal treatment of women and minority groups in access to opportunities and advancement.

FAIR EMPLOYMENT PRACTICES

All employees are guaranteed access to grievance procedures where these may arise.

Employees, third parties and members of the public have access to our independent 24/7 anonymous whistle-blowing helpline, which is displayed at all visible locations within the company. They can use this to report any concerns by telephone, online via web reporting or via a designated Vivo Energy whistle-blowing app, which is available for both Android and iOS devices and will be followed up by specialist investigators.

Knowing who we do business with

76

counterparty screening checks conducted.

"Our purpose is to safely provide innovative and responsible energy solutions to Ghana, which enable growth and development of the country and its people."

Every year, all Vivo Energy Ghana employees participate in an online training course to raise awareness regarding the ways in which concerns can be reported. The training also affirms the rights of employees to report concerns anonymously, which removes any concerns of victimisation or harassment. All whistle-blowing reports are sent to our Head of Ethics & Compliance and Chief HR Officer for review.

MODERN SLAVERY

Combating modern slavery, Vivo Energy strongly supports the elimination of all forms of modern slavery, which is entirely at odds with our core values of honesty, integrity and respect for people. Our expectation is our employees, joint ventures and supply chains are not subject to abusive or inhumane practices, such as child labour, forced labour, trafficking, slavery, discrimination or harassment.

Each employee is required to submit a Conflict of Interest declaration every year, confirming their understanding of our compliance policies.

INTRODUCING OUR NEW SUSTAINABILITY FRAMEWORK

Since 2013, when Vivo Energy Ghana was established, we have striven to do business the right way and aligned our employees on our vision of becoming Africa's most respected energy business.

Doing business the right way, and aiming to operate to the highest HSSEQ and operational standards, will help us achieve our vision.

To further advance our goal, the Vivo Energy Sustainability Framework was launched in 2022 to provide clear and simple guidelines on our Environmental, Social and Governance (ESG) and sustainability activities.

This framework seeks to provide clear focus areas and guide our approach on sustainability topics that matter to our business, stakeholders and communities.

The Vivo Energy Sustainability Framework comprises three key pillars:

1. **PEOPLE**
   SAFE AND EMPOWERED TEAMS
2. **PLANET**
   MINIMISING THE GROUP'S IMPACT
3. **PARTNERSHIPS**
   LEADING BY EXAMPLE

1 PEOPLE

At Vivo Energy Ghana, people are our most valuable asset. We believe that keeping our employees, partners, customers and communities safe, and providing the necessary support, will enable their development and growth.

The four key priorities in our People pillar are:

- **ENSURING THE SAFETY OF PEOPLE**
- **TRAINING AND DEVELOPMENT**
- **ENHANCING GENDER DIVERSITY**
- **EMPLOYEE ENGAGEMENT**

ENSURING THE SAFETY OF PEOPLE

Safety remains the key driver and our licence to operate, and Vivo Energy Ghana prides itself on its initiatives and maximum adherence to safety. This undoubtedly identifies us as pioneers in all our HSSEQ target areas (Transport Safety, Contractor Safety, Site Safety and Personnel Competency Development) in the local competitive market.

Continuous HSSEQ Improvement

To assure all stakeholders of our robust HSSEQ standards, the company reviewed and aligned its core HSSEQ focus areas with the Group's. All focus areas are discussed with the respective action department, and a close-out schedule agreed and tracked monthly for an effective closure.

All staff and contractors are mandated, as part of their HSSEQ personal commitment, to report Potential Incidents (PIs) and conduct various site audits (Talk Not Tick (TnT) and work area and customer site inspections). Management, as part of their annual plans, on a quarterly basis, visit sites to engage staff and contractors in managing HSSEQ within our operations. All remedial actions are logged into our HSSEQ monitoring tool – ISOMETRIX – for an effective closure plan.

The Group also has a scheduled audit plan for all operating units to check on the HSSEQ policies' effectiveness in our respective activities.

HSSEQ Training and Competency

2022 started with competency assessment reviews for all staff and contractors in HSSEQ critical positions. All gaps identified led to the development of our training plan for the year. To experience more interactive sessions, we resumed with F2F training sessions, unlike the virtual sessions used more during the previous year due to the spread and impact of COVID-19. This yearly practice has seen a continuous improvement in the knowledge level of staff in managing HSSEQ within our operations. The focus is not only on company staff but contractor staff as well. A training plan in line with our operations is executed to ensure safe contractor and staff implementation of controls and barriers within our Risk Assessment Management process.

Personal Safety

Our HSSEQ Management System puts the responsibility on the employee for their personal safety and that of others. This supports the company's Golden Rule policy of comply, respect and intervene on all unsafe acts and conditions. Staff are tasked to proactively report all incidents (actual & potential) and near misses for learnings to be derived and shared with all staff and contractors for continuous safety improvement. All these incidents are managed through our online reporting system (ISOMETRIX). There was an increased closure rate of reported actions from 93% in 2021 to 95% in 2022.

Safety Day was observed, and staff formed groups to engage customers on key HSSEQ topics. This helped improve the safety culture for our stakeholders in an effort to ensure safety across our operations.

TRAINING AND DEVELOPMENT

Learning and development continues to be an integral part of our approach to talent and performance management in line with our goal to create a performance-driven, dynamic enterprise with the competency to deliver long-term benefits to employees, customers and the local communities in which we operate. As an organisation, we have structured development plans in place to constantly build the skills and capabilities of our people. We have also made learning and self-development an integral part of the organisation's culture through what we call 'My Learning Zone', where everyone has access and the opportunity to constantly upgrade their knowledge and skills.

ENHANCING GENDER DIVERSITY

Gender diversity has become a key focus area for Vivo Energy Ghana where we are deliberate in ensuring balanced gender diversification across our workforce. In 2022 we had a female representation of 27% of total employees, up from 25.5% in 2021. Though a small incremental improvement, a combination of interventions and initiatives have been designed to ensure we gradually move towards gender parity in the years ahead.

In order to effectively integrate inclusiveness, we continually promote the development and efficient deployment of our employees to create a work environment where everybody has an equal opportunity to develop his or her skills and talents.

EMPLOYEE ENGAGEMENT

We continuously strive to create an environment where employees are excited to commit to the work, goals and values of the company in an open culture where opinions are heard and valued. We work closely with line managers and staff associations on people issues and implement actions accordingly. In 2022, we continued to conduct random pulse checks with staff to ensure alignment, and suggestions given by staff are implemented where they make business sense and have the potential to improve ways of working.

A key highlight worth mentioning are the initiatives implemented on health and wellbeing, such as quarterly health talks, team building exercises, office games and company sponsored gym activities.

Employee recognition and celebration was also a key highlight in 2022, where over 30 employees received bespoke personalised congratulatory notes from the Managing Director, with others receiving monetary awards and certificates for attaining key milestones in the business.

We launched our flagship road safety campaign dubbed STOP, THINK & DRIVE in partnership with the National Road Safety Authority to improve road safety consciousness among high-risk commercial drivers and motorcyclists to provide enhanced and safer transport services for commuters.

GENDER DIVERSITY

27%

of employees are women.

OUR GENDER SPLIT

31 DECEMBER 2022	Female	Male	Total
Board of Directors	1	8	9
Country leadership team	3	9	12
All other employees	37	100	137

2 PLANET

With a vision of becoming the most respected energy business in Africa, we aim to minimise our impact on the environment.

Our four key priorities in our Planet pillar include:

GREENHOUSE GAS MANAGEMENT

PRODUCT SPILLS

SUPPORTING THE ENERGY TRANSITION

SOCIETAL IMPACT

We received two prestigious awards at the 2022 Sustainability and Social Investment Awards.

GREENHOUSE GASES (GHG)

As part of our environmental objective, we strive to reduce the level of emissions from our operations. We collate monthly data from all our operational areas that fall under the various categories of emissions (mileage covered, heaters, electricity consumed, generators and forklift usage). Total emissions (ktCO_2e) generated by Ghana operations were 5.02 for the year 2022. This increment was due to the addition of operational outlets, especially retail sites. The overall aim is to reduce the emission rate year-on-year to enhance a sustainable environment. Our strategy to include solar installations in all our new retail site projects, and to upgrade existing sites, saw successful implementation with a plan to increase this coverage. So far, we have completed 25 solar installations as at year end 2022. Furthermore, our Green Champions, selected to help improve our carbon footprint, were chosen after a meticulous selection process vetted by the management team. Their aim is to champion initiatives to minimise the impact of our operations on both direct and indirect greenhouse gas emissions. So far, they have also supported external campaigns to promote the same vision.

PRODUCT SPILLS

Vivo Energy has a commitment to minimising the impact of our operations on the environment. In 2022 we recorded zero spills in all our operations across the country. This is due to the very strict control and recovery mechanism put in place from our Hazard and Effect Management Process. We have a very effective tank and pipeline maintenance regime and Integrity Inspection Process to eliminate any loss of primary containment. Also, per our standard design regime, only concrete bunds are used for both underground and surface tanks as a recovery measure for any loss of primary containment. Staff are well trained in spill management at all our operating units and it's part of our annual Emergency Response Plan drills.

SUPPORTING THE ENERGY TRANSITION

We recognise that the sustainability of our business depends on our understanding of the climate-related risks and opportunities we face, together with our commitment to ensuring that these are fully considered in our strategy.

Today, our core business is focused on distributing and marketing fuels and lubricants to our Retail and Commercial customers in Ghana.

We therefore perceive that the most material transition risks to the company are related to factors that could reduce demand for the fuels we sell due to any combination of climate-related technology, market, and policy and legal developments in the country.

We have identified a number of activities and plans across key climate-related areas, which both harness transition opportunities and mitigate transition risks.

Using renewable power at our facilities

We are including on-site solar power at newly built and rebuilt retail sites where possible. We have, so far, 25 retail sites with solar and are in the process of implementing solar power solutions for our depots and offices.

Supporting electric vehicles (EV) in our Retail segment

We are investigating developing offers to support EV on our forecourts, such as battery swap and EV charging. These are currently at the consideration stage as we want to understand the potential and ensure we are positioned to meet evolving customer needs.

Supplying low- or zero-carbon fuels in Retail and Commercial segments

We are currently monitoring and responding to Retail and Commercial customers' demands for new technologies and lower-carbon alternatives such as LPG as part of the transition.

SOCIETAL IMPACT

With increasing focus and scrutiny from our stakeholders, the Group launched the Vivo Energy Sustainability Framework to guide our approach to sustainability, ensure we are focused on the areas that matter and provide a clear and simple framework for all our ESG and sustainability activities. This comprises three key pillars – People, Planet and Partnerships – underpinned by our principles.

In line with this, employees were invited to volunteer to become Green Champions, supporting and developing environmental sustainability actions within their countries. They will be responsible for developing initiatives to help minimise our impact on the planet.

Our six selected Green Champions will develop and drive the country's environmental sustainability initiatives with support and full participation from all Vivo Energy Ghana employees.

Our Green Champions are passionate about climate action and sustainability in their home lives and see an opportunity to promote sustainability initiatives in their workplace, engaging other members of staff and acting as a point of contact for those wanting to take green action.

OPERATIONAL EMISSIONS – SCOPE 1 AND 2 $ktCO_2e$, unless otherwise indicated	2020	2021	2022
Scope 1 Total	2.85	0.99	0.86
Scope 2 Total	0.18	0.21	0.29
Scope 3 Total	0.48	2.51	3.91
Total Scope 1, 2 & 3 Emissions	**3.51**	**3.71**	**5.06**
Total energy consumed (million kilowatt-hours)	**0.88e[6]**	**0.89e[6]**	**0.90e[6]**
Scope 1 & 2 Intensity ($ktCO_2e/10,000m^3$)	**0.071**	**0.86**	**1.23**

Following the renovation of a three-unit classroom block by the company and commissioned by the Hon. Western Regional Minister, a commemorative tree was planted to promote environmental sustainability.

GREEN CHAMPIONS

6

employees appointed as Green Champions in 2022.

Number of product spills
Greater than 100KG

2022	0
2021	0
2020	0
2019	0
2018	0

Total product lost
Metric tonnes

2022	0
2021	0
2020	0
2019	0
2018	0

3

PARTNERSHIPS

We continue to engage our partners and communities to better understand their needs and concerns and to develop solutions of mutual benefit that provide an enabling environment for our growth. This is important to us because we employ local people and source from local businesses and suppliers. By doing so, we will be creating Africa's most respected energy business.

We are committed to three key priorities in our Partnership pillars that drive our passion:

PARTNERING WITH COMMUNITIES

ENABLING LOCAL ENTERPRISE

RESPONSIBLE PURCHASING

PARTNERING WITH COMMUNITIES

A topmost priority in our work is the investment we make in the communities within which we operate. Our immediate community investment programmes have led to the building of respect and trust between our organisation and the community.

Road safety

Road transport operations (product haulage and company staff vehicle users) are the most high-risk operations that we manage. Stringent controls and barriers are in place to ensure safe operations, and these are verified throughout the year to ensure compliance. Together, we have delivered unmatched road transport safety across the country.

The company currently employs the services of three hauliers, who once again maintained their professional status after the 2022 Group external auditor's assessment.

To monitor and improve driver behaviour, an In-Vehicle Monitoring System and dual-view dash cams have been installed in all company staff vehicles and contracted Bulk Road Vehicles (BRVs). This helps to proactively review all trips for road transport non-compliance and employ an effective management system. An approved comprehensive Journey Management Plan (JMP) covers all company trips by BRVs and light vehicles. Journey Management KPIs are monitored throughout the trip for any non-compliance. Remote monitoring by supervisors and the application of consequence management have constantly improved performance.

In our communities, Vivo Energy Ghana continues to champion road safety through a partnership with the National Road Safety Authority. Our annual flagship road safety programme, titled STOP, THINK & DRIVE, is aimed at improving road safety consciousness among high-risk commercial drivers and motorcyclists, which will, in turn, provide enhanced and safer transport services to commuters.

Last year's campaign brought together over 1,500 commercial drivers and motorcyclists in the Greater Accra Region, Brong Ahafo Region, Ashanti Region, Central Region, Western Region and Northern Region. Participants were taken through a comprehensive driving training module to encourage drivers to be more inclined to practise road safety to help reduce road traffic accidents. Free eye screening services were also provided for commercial drivers by health workers.

Education

The development of a nation thrives on education. That is why, in Ghana, we have believed in and supported any effort geared towards improving education. In partnership with Worldreader and the Ghana Library Authority, we funded and launched phase two of our Community Digital Literacy Project in the Tamale Metropolitan area to expand the scope and reach out to more schoolchildren with relevant educational content and improve their reading skills.

This is in line with the company's commitment to fuelling the growth of its operational areas and playing its part as a responsible corporate entity in complementing the government's efforts towards achieving Sustainable Development Goal 4 (SDG 4). Since the start of the project, over 12,000 books have been read, helping to improve literacy and education among the region's schoolchildren.

To complement the government's efforts in providing education infrastructure for schoolchildren, Vivo Energy Ghana also renovated a three-unit classroom block for St Peter's Primary School at Poasi-New Takoradi, in the Sekondi-Takoradi Metropolis of the Western Region. In addition to the renovation, we furnished the school block with dual classroom desks, teachers' desks, bookshelves, whiteboards and ceiling fans. Other existing classroom blocks were also repainted to give the school a facelift. In line with the company's environmental sustainability programme, titled 'Cyclean', we donated waste bins to encourage waste segregation in the school and promote the habit of recycling among the schoolchildren.

We believe the new classroom block will provide a safe shelter and a conducive environment for academic excellence to thrive.

Environment

Sustainability has taken centre stage in the environmental discourse, and we believe this is a priority too since the environment is home to all. To contribute to the progress of the sustainability discussion on the environment, we take pragmatic steps to ensure whatever we do has a positive impact on the environment. This is evident in our partnership with United Way Ghana to launch the Vivo Energy Environmental Club to help inspire the next generation to be environmentally friendly in all their activities.

The partnership focuses on creating opportunities through well-structured Environmental Club activities to inspire underprivileged young learners to develop interests in keeping the environment clean and to be innovative in turning recyclable materials into different inventions.

The School Environmental Club project is designed to boost the health and academic performance of pupils at La Enobal Basic School. This will be attained by improving access to functional handwashing stations, information and resources to create a conducive learning environment and to enable the young learners to practise proper waste management. This initiative will engage pupils, parents, caregivers and teachers in educational activities on the importance of maintaining a good and recreational environment and its effect on their health, creativity and soundness of mind.

ENABLING LOCAL ENTERPRISE

Tens of thousands of indirect jobs are created across our network as a result of our efforts to promote the expansion of our dealer and transporter network as well as local businesses.

We use local dealers to run most of our sites to our rigorous standards in order to efficiently manage our retail network. We work with our dealers to provide them with a platform for success and make sure they are upholding the standards.

RESPONSIBLE PURCHASING

All Vivo Energy employees, as well as contractors, are required to make an annual statement to confirm that they will adhere to the Vivo Energy General Business Principles and Code of Conduct and to declare any relationships they have that might create a conflict of interest (COI) with their role at Vivo Energy. Contractors at Vivo Energy are required to meet HSSE standards, without which we cannot commit to working with them. This offers safety to our communities where we operate. One must not offer, pay, make, seek or accept a personal payment, gift or favour in return for favourable treatment or to gain any business advantage. Our people must follow the anti-bribery and corruption laws that we are subject to, both those of Ghana and those which apply outside the country. One must not make facilitation payments. If a facilitation payment has been requested or made, the individual must immediately report it to the line manager, the Head of Ethics & Compliance, the Head of Legal and/or the Vivo Energy Helpline.

In line with our Sustainability Framework, we signed an MOU with United Way Ghana to roll out an environmental sustainability programme in our communities.

A presentation of school bags and stationery to participants of the Vivo Energy Ghana Community Digital Literacy Programme.

We funded a community digital literacy project, in partnership with Worldreader and the Ghana Library Authority.

25

solar-powered Shell service stations as at December 2022.

AROUND 10

community investment projects launched during the year.

PROMOTING QUALITY EDUCATION

My First Day at School is an annual event by the Ghana Education Service (GES) at the beginning of each academic year to welcome new entrants into Kindergarten (KG), as well as those who are transitioning to the mainstream school system at Basic One, at the various District and Regional Education Directorates.

Vivo Energy Ghana, as part of its annual support for the programme, donated stationery, school bags and beverages to the Greater Accra Regional Education Office of the GES.

The donation by Vivo Energy Ghana aligns with the company's commitment to education and its goal of making a real and lasting impact in the communities in which it operates.

The items donated included exercise books, pencils, erasers, crayons, school bags and bottles of water and natural fruit juice, which will be distributed to over 1,800 pupils across the region's 29 metros, municipalities and districts.

"My First Day at School is a memorable experience for both pupils and parents and, as a company, we are committed to supporting this initiative by the GES. We are happy to do this for the pupils and put smiles on their faces," says Mr Kader Maiga, Managing Director of Vivo Energy Ghana.

Representatives from the GES, Mr Charles Arhin, Head of Inspectorate Unit, and Mrs Suzanne Kennedy, Basic and Early Childhood School Regional Coordinator who received the items on behalf of the Greater Accra Regional Director, conveyed their appreciation to Vivo Energy Ghana for supporting this programme annually and called on other corporate bodies to support the initiative.

"We would like to express our gratitude to the management and staff of Vivo Energy Ghana for their continuous support over the years and we are confident that this donation will go a long way to support the schoolchildren, especially new entrants," said Mrs Kennedy.

Every year, Vivo Energy Ghana supports the Ghana Education Service with school supplies as part of the company's commitment to promoting Sustainable Development Goal 4, of ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all. Management and staff of the company attended this year's event, which was held at the Vivo Energy Ghana head office in Cantonments.

IMPROVING DIGITAL LITERACY AMONG SCHOOLCHILDREN

In 2021, Vivo Energy Ghana, in collaboration with Worldreader Ghana and the Northern Regional Library, launched the Vivo Energy Ghana Community Digital Literacy Project to increase access to relevant educational content through technology among schoolchildren in the Tamale Metropolis.

Following a successful implementation of the pilot programme, phase two of the project was launched to expand the scope and reach to more schoolchildren to improve their reading skills.

This is in line with the company's commitment to fuelling the growth of its operational areas and playing its part as a responsible corporate entity in complementing the government's efforts towards achieving Sustainable Development Goal Four (SDG 4).

SDG 4 aims to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all".

Phase two of the project involved outreach to the schools with the support of a mobile library van, fuelled by Vivo Energy Ghana, and a lending option where heads of schools request the tablets to be used for a period and returned to the library for use by other schools.

Additional BookSmart tablets, funded by Vivo Energy Ghana, were also presented to the Northern Regional Library to expand the scope by enrolling more pupils onto the programme. Beneficiaries of the project were also given branded backpacks with educational items to motivate and recognise their commitment towards the programme.

Since the inception of the programme in September 2021, over 12,000 books have been read and completed across all 25 households, with an average number of 29 books being completed per day.

The Chief Director of the Regional Coordinating Council Mr Gilbert B. Nuuri-Teg, speaking on behalf of the Northern Regional Minister, commended Vivo Energy Ghana for demonstrating a sense of commitment towards community development beyond its core business.

"Many would have thought that, being an energy company, it would only focus on its main business, but the thought of going the extra mile to improve the reading skills and knowledge base of our children is highly commendable. I would also like to applaud the Northern Regional Library, Worldreader Ghana and all the facilitators for collaborating to ensure the success of the first phase of this very important project," he added in the release.

The Metro Director of Education, Tamale, Dr Peter Attefuah, was impressed with the impact of the first phase of the project and encouraged all stakeholders to give their best in the second phase to help the children develop an interest in reading and enhance their ICT skills.

The Programmes Manager of Worldreader Ghana, Alhassan Abdul Kahad, encouraged heads of schools and households to take full advantage of the second phase of the project, and emphasised the benefits of reading to the growth of societies and the country at large.

VALENTINE'S DAY WITH AKROPONG SCHOOL FOR THE BLIND

Valentine's Day is celebrated worldwide as a special day during which people express their love and admiration for one another. In Ghana, the day has been rebranded as Chocolate Day to promote the consumption of cocoa products as a healthy option.

Over the years, Vivo Energy Ghana has marked this day internally with its employees. To reaffirm its commitment of impacting the communities in which it operates, the company, in partnership with its employees, marked this year's celebration with the launch of the maiden edition of the **'Energising Hope'** initiative to extend love and care to Akropong School for the Blind in the Eastern Region.

To reduce the administrative cost of operating the school, the company, together with its employees, donated a multifunctional printer and bags of rice and chocolates to the school to commemorate this year's Valentine's Day.

The Corporate Communications Manager of Vivo Energy Ghana, Mrs Shirley Tony Kum, who led a team of employees to make the donation, said, "As a company, we are dedicated to touching and impacting lives through our main focus areas of Education, Environment and Road Safety, as well as being committed to creating a lasting impact in our communities. We believe this gesture will go a long way towards ensuring the efficient use of the school's resources and help channel funds that the school would have used in purchasing these items into other pressing needs of the students."

Mrs Kum further lauded the teachers and management of the school for their commitment to ensuring that the students get the best education. She also extended her gratitude to Vivo Energy's management and employees, as well as MFI Ghana Limited, for their contributions in making this donation possible. In addition, she called on other corporate bodies to empathise with the students and help provide the much-needed support and opportunities to enable them to overcome their disabilities and contribute to society.

Receiving the items on behalf of the school, Mr Gideon Doyi, a teacher, expressed his appreciation to Vivo Energy Ghana for coming to their aid. He further recounted how the lack of a multifunctional printer hampered their administrative work and assured Vivo Energy Ghana of conducting routine maintenance to ensure the maximum efficiency of the printer in supporting the school's day-to-day operations.

GROWING WITH OUR COMMUNITIES... RENOVATION OF BITUMEN PLANT COMMUNITY SCHOOL

New Takoradi is a fishing community located about two kilometres from the central business district of the city of Takoradi with an estimated population of 13,852, an average household size of 4.7 and a room occupancy rate of 4.8.

In 1948, the then Shell Ghana Bitumen Plant Facility was constructed in the New Takoradi community of the Western Region of Ghana. Since the transition to Vivo Energy Ghana, the company has been operating the 800 metric tonnes (8.8 million litres) tank capacity bitumen plant by serving customers across various sectors, including road contractors.

Although the community hosts the depots of most companies, it lacks a decent educational infrastructure to facilitate teaching and learning, and this is a major challenge for community leaders and residents.

The community lacks adequate classrooms to facilitate teaching and learning, with the very few available also in a deplorable state. The effect of this has resulted in low teacher retention rates, increased pupil dropout and teenage pregnancies.

With a vision of becoming Africa's most respected energy business, and in line with our Sustainable Development Plan, Vivo Energy Ghana initiated engagement with the community stakeholders and the Ghana Education Service (Metropolitan Directorate) on the renovation of St Peter's Basic School within the bitumen plant community of New Takoradi. This was followed by a feasibility study with the help of Vivo Energy Ghana engineers, after which a contract was awarded for the renovation of the school.

In addition to the renovation, the company furnished the school block with dual classroom desks, teachers' desks, bookshelves, whiteboards and ceiling fans. Other existing classroom blocks were also repainted to give the school a facelift. The company believes the new classroom block will provide a safe shelter and a conducive environment for academic excellence to thrive.

To support the growth of local businesses and enterprises, labour for the renovation and materials used for the building, as well as the logistics required for the commissioning and handing-over ceremony, were sourced locally from the community.

Speaking at the handing-over ceremony, the Commercial Manager of Vivo Energy Ghana, Mr Bernard Bosompem, who spoke on behalf of the Managing Director, said "The company's commitment to invest in communities where it operates goes beyond its corporate strategy to playing its role as a responsible corporate entity in complementing the government's efforts towards achieving Sustainable Development Goal 4 of ensuring equitable education for all."

The Honourable Western Regional Minister, Mr Kwabena Okyere Darko-Mensah, in his remarks, commended the long-standing relationship between the company and the Poasi-New Takoradi community. He recalled how Shell has been in the community for the past 70 years and continues to extend its support to them. "The effort of Vivo Energy Ghana towards the growth of the educational sector is exemplary," he said, and he appealed to other companies operating in the Poasi-New Takoradi community to emulate the initiative by the company.

A fully furnished classroom block for St Peter's Basic School at New Takoradi.

PROMOTING DIVERSITY AND INCLUSION AS EMPLOYEES MARK IWD

The 2022 International Women's Day (IWD) was marked by a series of activities to showcase the socioeconomic impact of women.

The half-day event, organised at the head office of Vivo Energy Ghana, had participants from its satellite offices also joining virtually.

The Managing Director of Vivo Energy Ghana, Kader Maiga, celebrated the women, saying they are not only making a difference but also inspiring other women to reach far beyond their potential.

He expressed the company's resolve to empower its female employees while providing them with the necessary support to allow them to thrive.

During the all-employee panel discussion, the four panellists shared their candid views on female empowerment, the importance of women in corporate sustainability and tips for personal growth and development.

Certified international protocol and etiquette consultant Ivy Heward-Mills took the participants through business etiquette as a strategy for personal branding.

Before that, she shared a few words of encouragement with the participants saying, "The best man for the job is a woman".

She urged the participants not to let anything get in the way of the confidence and commitment they should have in whatever they do.

Ms Heward-Mills explained that, most times, women prevent themselves from getting to the top in their careers.

"Women are not their own enemies, but it is a mindset that lives within us. So, it is not about a woman hating or being an enemy to another woman, or a woman stifling the progress of another woman; it is that self-sabotage that comes to bear sometimes and we all need to be mindful of it because, sometimes, the thought, fear or belief that we cannot progress or take on the challenge is only in our minds and we have the power to change that," she said.

She also elaborated on the need for employees to grow their personal brands in line with the values and image of the company they are representing.

The staff of Vivo Energy celebrated three employees who have helped women to break the bias. They each got a free voucher for a spa session.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PREMIUM MULTI-GRADE MOTOR OIL
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Shell HELIX HX3 20W-50
Shell HELIX HX7 10W-40
Shell HELIX ULTRA 5W-40
Shell HELIX ULTRA 5W-30
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GOVERNANCE

The following pages describe our governance structure, leadership team and statement of directors' responsibilities.

CONTENTS

BOARD OF DIRECTORS

FRANCK KONAN-YAHAUT

BOARD CHAIRMAN

Franck Konan-Yahaut is the Board Chairman of Vivo Energy Ghana and Vivo Energy's Executive Vice President West Africa, a position he has held since February 2019. Franck previously held the positions of Managing Director, Shell Côte d'Ivoire and Burkina Faso Cluster, and Managing Director, Côte d'Ivoire, before taking up his previous role of Managing Director, Senegal in September 2014.

Franck joined Royal Dutch Shell in 1996 from PwC. Following a number of years as Finance Manager in Guinea, Ghana and West Africa, he moved to West Africa Gas Pipeline Company in the Shell upstream business as General Manager Finance and Administration. Franck was transferred from Royal Dutch Shell to Vivo Energy following the sale of the Africa downstream business in 2011.

KADER MAIGA

MANAGING DIRECTOR

Kader Maiga is the Managing Director of Vivo Energy Ghana. He has over 20 years' experience in the energy sector, including senior management positions with Shell and Vivo Energy.

Kader holds a master's degree in Economic Science from the University of Wuppertal in Germany.

His career started at Shell as Retail Manager for Mali, where he changed the face of retail business with his innovative and leadership approach to selling fuels and lubricants, progressing to become the Country Chairman for Shell in Mali.

Following the transition from Shell to Vivo Energy in 2011, Kader was appointed Managing Director of Vivo Energy Mali. He subsequently became the Managing Director for Guinea, before becoming Managing Director Madagascar in 2016 and Managing Director Senegal in 2019. In each of the countries he has led, he has built formidable businesses.

KILAI MUASYA

MEMBER

Kilai Muasya has over 27 years of experience, having performed in nearly every capacity in a finance department. He is a functionally skilled leader with high leadership capability.

He worked at Shell Oil Africa in a variety of roles, including East Africa Commercial Business Finance Analyst, North East Regional Planning and Performance Manager, Retail and North East Finance Manager, and Finance Regional Implementation Lead – Kenya and Uganda. His work in various capacities resulted in enormous success.

In 2013, he was appointed Financial Planning Manager for Vivo Energy Africa, overseeing 16 countries across Africa. He was later transferred to Vivo Energy Botswana as Finance Manager. Prior to his appointment as Finance Manager for Vivo Energy Ghana, Kilai was a Central Finance Manager supporting Tanzania.

Other finance roles he has held include Accountant, Senior Accountant, Assistant Treasury Accountant and Treasury Accountant in Uchumi Chemicals Ltd, Kim Manufacturers, National Museum of Kenya and Kenya Shell Ltd respectively.

Kilai is a certified Accountant and holds a master's in Business Administration as well as a Bachelor of Commerce in Accounting. He was an Associate Certified Public Accountant of Botswana Institute of Certified Accountants (BICA) and is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

MERCY AMOAH

MEMBER

Mercy Amoah is the Human Resources Manager for Vivo Energy Ghana and has over 20 years' experience in human resources, marketing and change management, having worked in institutions such as Ghana National Petroleum Corporation, International Commercial Bank and Guinness Ghana Breweries Limited.

Mercy is thorough in executing assignments and applies high standards in her work. She is authentic; she has the ability to build great relationships with those she works with and to manage any team for success.

REINDOLF DOMEY

MEMBER

Reindolf Domey, Supply and Distribution Manager, has extensive experience across petroleum and FMCG.

Prior to joining Vivo Energy Ghana, Reindolf worked at Unilever Ghana and Guinness Ghana Breweries, in varying capacities but mainly in technical, engineering and project management.

Reindolf is a business leader and has deep knowledge of operation management, with over nine years in a senior management position.

He holds an MBA in Finance from the University of Ghana Business School, Accra, and a bachelor's degree in Mechanical Engineering from the Kwame Nkrumah University of Science and Technology.

SAMUEL SARPONG

MEMBER

Samuel Sarpong is currently the Managing Director of National Investment Bank.

Prior to his appointment in May 2019, he was working as a Consultant with a private consultancy firm.

He worked with GCB Bank Ltd. from 2008 to 2017 and served in various capacities, including Acting Managing Director, Deputy Managing Director, Chief Transformation Officer and Chief Operating Officer.

In 2005, Samuel joined General Electric Corporation's Consumer Lending Business (GE Money) in Canada. As a Senior Manager at General Electric, he served as Risk Leader for three business units – Credit Cards, Risk Infrastructure and Fraud and Mortgages.

Prior to that, he worked with various organisations in Canada. He served as Policy Advisor at the Ontario Ministry of Agriculture and Food, as well as the Ontario Ministry of Economic Development and Trade from 1990 to 1995. In 1996, he joined the Canadian Imperial Bank of Commerce (CIBC), holding senior positions in Credit Risk Management and as Director of Lending Products.

Samuel has served on a number of boards, including GCB Bank Ltd. Accra, Ghana, Nestlé Ghana and Ghana International Bank PLC, London, UK.

KWAKU BEDIAKO

MEMBER

Kwaku Bediako is the Founder and Group Executive Chairman of the CH Group of Companies. With over 25 years' experience in international business, he leads the Group with the objective of ensuring the overall success of its diverse subsidiaries and growing the Group's portfolio.

Driven by his passion for identifying and developing cross-sector opportunities, Kwaku established Chase Petroleum, a market-leading Oil Trading and Bulk Distributor in 1997.

Through his entrepreneurial vision, Chase Petroleum gained steady market prominence and was first to be issued with a Bulk Distributor's Licence.

Under his leadership, the Group has grown into one of the biggest conglomerates in Ghana, with multiple subsidiaries and major investments notably across the Oil and Gas, Real Estate, Logistics, Water & Wastewater and Agribusiness sectors. With his instinctive, forward-thinking and hands-on approach, Kwaku continually seeks to replicate the Group's success across other industries.

As an active and passionate philanthropist, Kwaku actively supports many environmental, educational and other social responsibility projects through numerous foundations, including the CH Foundation. To date, through various foundations and initiatives, he has improved the lives of thousands of people across multiple communities in which the Group operates.

EMMANUEL ODARTEY LAMPTEY

MEMBER

Emmanuel Odartey Lamptey is an executive with over 20 years' multinational experience in banking, asset management, securities brokerage services, retirement benefits, insurance and micro-finance in over 30 African countries.

He is currently the Deputy Managing Director, Operations, at GCB Bank PLC, where he serves as a member of the Board of Directors and is responsible for operations, information technology, customer service and support services units.

Emmanuel has held various roles in top African financial services firms including Group Head, Finance Department at Ecobank Transnational Incorporated; Group CFO, Corporate & Investment Bank, Ecobank Transnational Incorporated; and Chief Financial Officer, Ecobank Ghana & WAMZ. He also held senior management positions at Standard Bank of South Africa, Alexander Forbes in South Africa and Letshego Group Holdings Limited in Botswana. Emmanuel started his career as a trainee accountant at KPMG, Ghana, in June 2000.

He has extensive experience and skills in strategy development and execution and in achieving revenue, profit and growth objectives.

Emmanuel is a member of the Association of Chartered Certified Accountants (ACCA) in the UK. He holds a Bachelor of Commerce degree from the University of Cape Coast, Ghana.

PROFESSOR KWAKU APPIAH-ADU

MEMBER

Kwaku Appiah-Adu (PhD, FGA) is a Professor of Strategy, and a Senior Advisor at the Vice President's Secretariat, Office of the President, Republic of Ghana. Currently, he coordinates the Energy Sector Recovery Programme, and chairs the AfCFTA's Infrastructure-related Technical Working Group. In 2018–19, Kwaku led the process of forming Ghana's Integrated Aluminium as well as Integrated Iron and Steel Development Projects.

Previously, Kwaku worked at the Office of the President, Ghana, where he was Head of Policy Coordination, Monitoring and Evaluation, Chairman of the Oil and Gas Technical Committee, Director of Ghana's Central Governance Project, member of the President's Investors' Advisory Council, and Advisory Board member of the UN Initiative on Continental Shelf Delineation. Prior to that, Kwaku worked as a manager at PwC's policy, strategy and management division, and as an architect/project manager of multimillion-dollar residential, retail, office and industrial projects in the UK.

In academia, he has served as Dean of Central University Business School and lectured at the universities of Cardiff and Portsmouth. He is an author of several books. His recent edited/co-edited titles are: Contemporary Business Imperatives in a Developing Economy (2020); Context: Executing Strategy in a Developing Economy (2018); Key Determinants of National Development (2015); and Governance of the Petroleum Sector in an Emerging Developing Economy (2013). With over 100 publications, he has facilitated workshops and presented papers at numerous international fora. He is Board Chairman, Glico Pensions Trustee Ltd, and a Director of Vivo Energy Ghana Ltd, Ghana Grid Company Ltd, Golden Beach Hotels Ltd and Switchback Developers Ltd.

Kwaku is a Fellow of the Ghana Academy of Arts and Sciences, and has been elected to the ANBAR Hall of Excellence for Outstanding Contribution to the Literature and Body of Knowledge. He has received several honours, including the President's Crystal Awards for exceptional contribution to business environment reforms and national development.

The Board of Directors (the "Directors") submit their report together with the audited financial statements of Vivo Energy Ghana Limited (the "Company") for the year ended 31 December 2022, which disclose the state of affairs of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements of the Company in accordance with applicable laws and regulations. The Companies Act, 2019 (Act 992) requires the Directors to prepare the Company's financial statements for each financial year. The Directors are responsible for the preparation of financial statements which give a true and fair view of the Company. The financial statements comprise the statement of financial position as of 31 December 2022, statement of comprehensive income, changes in equity and cash flows for the year just 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 (IFRS) and in the manner required by the Companies Act, 2019 (Act 992).

The Directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business of acquiring, processing, transporting and selling petroleum and any products thereof together with such other business as may from time to time seem to the Company capable of being conveniently carried on in association therewith.

JOINT VENTURE

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

HOLDING COMPANY

The Company is a subsidiary of Vivo Energy Ghana Holding B.V., a company incorporated in the Netherlands. The ultimate parent company is Vivo Energy Limited, a company incorporated in the United Kingdom.

FINANCIAL RESULTS

The financial results for the year ended 31 December 2022 are set out below:	**GH¢'000**
Profit before income tax is	**143,278**
from which is deducted income tax expense of	**(53,878)**
giving a profit after income tax expense of	**89,400**
to which is added surplus brought forward on retained earnings of	**235**
from which is set aside proposed dividend for 2022 of	**(89,400)**
leaving a surplus carried forward on retained earnings of	**235**

DIVIDEND

The Directors recommend the payment of a dividend of GH¢8.460 per share (2021: GH¢7.016 per share) amounting to GH¢89.400 million for the year ended 31 December 2022 (2021: GH¢74.138 million).

CAPACITY BUILDING FOR DIRECTORS

The Directors of the Company were engaged in a combination of instructor-led and self-development training courses, aimed at strengthening their skills and abilities in the exercise of their duties as directors during the year ended 31 December 2022.

INTEREST OF DIRECTORS

During the year ended 31 December 2022, no significant or material contract was entered into by the Company in which Directors of the Company had an interest which significantly or materially affected the business of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company committed a total amount of GH¢378,831 towards corporate social responsibility activities during the year ended 31 December 2022.

AUDITOR

Audit fees for the year ended 31 December 2022 was GH¢747,598 (2021: GH¢395,625). The auditor will be rotated in line with Section 136 of the Companies Act, 2019 (Act 992).

BY ORDER OF THE BOARD

Name of Director:	Name of Director:
KADER MAIGA	**SAMUEL SARPONG**
30 June 2023	30 June 2023

LEADERSHIP TEAM

KADER MAIGA
MANAGING DIRECTOR

Kader Maiga is the Managing Director of Vivo Energy Ghana. He has over 20 years' experience in the energy sector, including senior management positions with Shell and Vivo Energy.

Kader holds a master's degree in Economic Science from the University of Wuppertal in Germany.

His career started at Shell as Retail Manager for Mali, where he changed the face of retail business with his innovative and leadership approach to selling fuels and lubricants, progressing to become the Country Chairman for Shell in Mali.

Following the transition from Shell to Vivo Energy in 2011, Kader was appointed Managing Director of Vivo Energy Mali. He subsequently became the Managing Director for Guinea, before becoming Managing Director Madagascar in 2016 and Managing Director Senegal in 2019. In each of the countries he has led, he has built formidable businesses.

KILAI MUASYA
FINANCE MANAGER

Kilai Muasya has over 27 years' experience, having performed in nearly every capacity in a finance department. He is a functionally skilled leader with high leadership capability.

He worked at Shell Oil Africa in a variety of roles, including East Africa Commercial Business Finance Analyst, North East Regional Planning and Performance Manager, Retail and North East Finance Manager, and Finance Regional Implementation Lead – Kenya and Uganda. His work in various capacities resulted in enormous success.

In 2013, he was appointed Financial Planning Manager for Vivo Energy Africa, overseeing 16 countries across Africa. He was later transferred to Vivo Energy Botswana as Finance Manager. Prior to his appointment as Finance Manager for Vivo Energy Ghana, Kilai was a Central Finance Manager supporting Tanzania.

Other finance roles he has held include Accountant, Senior Accountant, Assistant Treasury Accountant and Treasury Accountant in Uchumi Chemicals Ltd, Kim Manufacturers, National Museum of Kenya and Kenya Shell Ltd respectively.

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MERCY AMOAH
HUMAN RESOURCES MANAGER

Mercy Amoah is the Human Resources Manager for Vivo Energy Ghana and has over 25 years' experience in human resources, marketing and change management, having worked in institutions such as Ghana National Petroleum Corporation, International Commercial Bank and Guinness Ghana Breweries Limited.

Mercy is thorough in executing assignments and applies high standards in her work. She is authentic; she has the ability to build great relationships with those she works with and to manage any team for success.

NAA SHIOKOR BOI-BI-BOI
LEGAL MANAGER

Naa Shiokor Boi-Bi-Boi started her legal career with Nsiah Akuetteh & Co., where she rose through the ranks to become a Senior Associate.

She joined Vivo Energy Ghana from Coca-Cola Beverages Africa (Voltic Ghana Limited) where she held the Legal & Compliance Manager role.

She has experience in the FMCG industry, banking, corporate and commercial law.

REINDOLF DOMEY
SUPPLY AND DISTRIBUTION MANAGER

Reindolf Domey, Supply and Distribution Manager, has extensive experience across petroleum and FMCG.

Prior to joining Vivo Energy Ghana, Reindolf worked at Unilever Ghana and Guinness Ghana Breweries, in varying capacities but mainly in technical, engineering and project management.

Reindolf is a business leader and has deep knowledge of operation management, with over 9 years in a senior management position.

He holds an MBA in Finance from the University of Ghana Business School, Accra, and a bachelor's degree in Mechanical Engineering from the Kwame Nkrumah University of Science and Technology.

SHIRLEY TONY KUM
CORPORATE COMMUNICATIONS MANAGER

Shirley Tony Kum is an Accredited Public Relations Practitioner with over 17 years of experience in public relations, communications and integrated marketing communications in the media, mining and petroleum sectors. Prior to her current role at Vivo Energy Ghana, Shirley worked at Newmont Golden Ridge Limited, Stratcomm Africa Limited, Ministry of Parliamentary Affairs and the Ghana Broadcasting Corporation.

She has broad experience in public relations, stakeholder management, media management, sustainability, public participation, communication research, crisis communication, digital events management, traditional communication and community relations.

Shirley is the Honorary Secretary and a member of the Executive Council of the Institute of Public Relations Ghana (IPR), an Associate Member of the Chartered Institute of Marketing Ghana (CIMG), a member of Women in PR Ghana (WiPR) and a member of the Governing Council of the African University College of Communications.

BERNARD KWASI BOSOMPEM
COMMERCIAL MANAGER

Bernard Bosompem has over 14 years' experience in commercial sales and management from Mantrac Ghana Limited, Cummins Power Generation and AKSA Generators Ghana Limited where he was responsible for commercial business growth and customer relationship management, selling and supporting the power generation equipment department.

He is the Commercial Manager for Vivo Energy Ghana and a member of the American Society of Mechanical Engineers and Society of Automotive Engineers.

EMIL JACKSON ADANUVOR
RETAIL MANAGER

Emil Adanuvor joined Shell Ghana, now Vivo Energy Ghana Limited, in 2003 as a member of Shell's Graduate Development programme.

He started his career with the company from the finance department as Bank Reconciliation, Payables and Stock Accountant before joining the retail team in 2009 as the Territory Manager.

He then moved on to become the Retail Network and Property Manager, Retail Sales Manager and, currently, the Retail Manager. Emil has spent close to 20 years with Shell and Vivo Energy.

SAMUEL BUAH-KWOFIE
CONVENIENCE RETAIL MANAGER

Samuel Buah-Kwofie has a wide variety of knowledge from different segments of industry. Prior to joining Vivo Energy Ghana, he worked at Unilever Ghana and the then Airtel Ghana in varying capacities, mainly in the Route to Market strategy formulation and execution in both general trade and retail.

Samuel has a cumulative working experience of close to 20 years, 11 of which have been in a senior management position.

KWAME ASANTE
LUBRICANTS MANAGER

Kwame Asante has built up more than 15 years' technical, sales and business development experience, spanning engineering, logistics & supply chain, and technology.

Before joining Vivo Energy Ghana, Kwame worked as Sales Manager for the End User Professional Sales of Philips Lighting Ghana.

Prior to joining Philips, Kwame worked as Sales Manager for Damco Logistics Ghana Limited, part of the A. P. Moller – Maersk Group. Kwame's career, however, started as an Electrical Engineer.

JOSEPH BOAKYE KANKAM
HSSEQ MANAGER

Joseph Kankam has over 26 years' work experience in the engineering and downstream energy business in Ghana.

Prior to joining Shell in 2002 and Vivo Energy Ghana, Joseph worked extensively with Komatsu and Caterpillar dealerships in Ghana.

At Shell, and then Vivo Energy Ghana, he worked in the Retail, Engineering and Logistics role and is currently the Health, Safety, Security, Environment and Quality Manager.

Joseph has a BSc in Engineering from KNUST and an EMBA in Project Management from the University of Ghana Business School.

KWEKU SEKYI-CANN
MARKETING MANAGER

Kweku Sekyi-Cann holds an MBA in Marketing and a BSc (Hons) in Biochemistry from the University of Ghana Business School and Kwame Nkrumah University of Science & Technology, respectively.

He has over 23 years' experience in business and professional marketing from Cicada Consulting Ltd, Guinness Ghana Breweries Limited, Meta Abo Brewery SC – Addis Ababa, and Coca-Cola Nigeria & Equatorial Africa Division.

Kweku joined Vivo Energy Ghana from Caltech Ventures Limited where he held the Managing Director role.

PROXY FORM

I/We..

of...

being a member/members of the above-named Company, hereby appoint..

of...

or failing him/her..

of...

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of Shareholders of the Company, to be held on Thursday 7 September 2023 and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the resolutions as follows:

RESOLUTIONS	For	Against	Abstain
I. To re-elect Directors;			
II. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December 2022;			
III. To declare Dividends;			
IV. To authorize the Directors to fix the remuneration of the Auditors;			
V. To approve the remuneration of Directors;			
VI.. To consider and to appoint Ernst & Young Ghana to replace PricewaterhouseCoopers (PwC) Ghana Auditors of the Company effective from the conclusion of the Annual General Meeting.			

Signed this ______________________ day of ________________ 2023

____
Signature

Note:
1. A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice (whether a member or not) to attend and vote on his/her behalf.
2. Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his discretion as to how he/she votes.
3. Proxy forms duly signed should reach the registered office of the Company at least FORTY-EIGHT hours before the holding of the meeting or else the instrument of proxy should not be treated as valid.

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FINANCIAL STATEMENTS

Here we set out our statutory accounts and supporting notes, which are independently audited and provide in-depth disclosure on the financial performance of our business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIVO ENERGY GHANA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Vivo Energy Ghana Limited (the "Company") as at 31 December 2022, and of its financial performance and its 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).

WHAT WE HAVE AUDITED

We have audited the financial statements of Vivo Energy Ghana Limited for the year ended 31 December 2022.

The financial statements comprise:

- the statement of comprehensive income for the year ended 31 December 2022;
- the statement of financial position as at 31 December 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key audit matters

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of post-employment medical benefits – GH¢22.356 million The Company provides post-employment medical benefits to its employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to a specified age and the completion of a minimum service period. The valuation of the post-employment medical benefits is considered a key audit matter because of the significant judgement and estimates involved in the methodology used in determining the present value of the Company's future obligations in respect of beneficiaries. The valuations are carried out by independent experts and it involves applying various assumptions relating to the average medical cost per life of members, medical cost increase rate, and discount rate. The accounting policies, critical estimates and judgements and disclosures in respect of this post-employment medical benefits are set out in notes 2(r), 3 and 28 to the financial statements.	Our audit procedures included the following: We understood the nature, key terms and conditions of the post-employment medical benefits provided. We reviewed the movement in the defined benefit obligation and checked reconciling items to supporting documents. We tested the mathematical accuracy of the data used by the actuary in the valuation report. We reconciled the data used by the actuary to the records of the Company. We examined the actuarial valuation performed by the independent valuer and also assessed the actuary's skill, knowledge, ability and objectivity in performing the valuation. We compared the valuation methodology used in the current year with that of the prior year for consistency. We tested the medical expenses for the year as a component of the movement in the liability. We checked that the estimate for medical cost per life was reasonable when compared against the actual cost the Company incurred in 2022 which we have tested. The estimate for medical cost per life is escalated over the plan's life using the medical cost increase rate. We assessed the reasonableness of the medical cost increase rate used in the actuarial report by comparing it to the discount rate and the real long-term GDP growth rate for Ghana; as published by the International Monetary Fund. We assessed the reasonableness of the discount rate assumption by comparing the rate used in the actuarial report to the bond data on the Central Securities Depository website for the average yield of government bonds with maturity date of over 5 years. We checked the appropriateness and adequacy of the disclosures in compliance with International Financial Reporting Standards.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Corporate Information, the Chairman's Statement and the Report of the Directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 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, 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 financial statements
The directors are responsible for the preparation of 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 financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii. in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
iii. the Company's statement of financial position and the Company's statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Richard Ansong (ICAG/P/1539).

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2023/028)
Chartered Accountants
Accra, Ghana

30 June 2023

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis unless otherwise stated)

		Year ended 31 December	
GH¢'000	**Notes**	**2022**	2021
Revenue from contracts with customers	5	**4,782,718**	2,189,750
Cost of sales	6	**(4,366,493)**	(1,927,289)
Gross profit		**416,225**	262,461
Selling, general and administrative expenses	7	**(268,350)**	(169,908)
Other income	8	**25,042**	18,422
Net impairment reversals	15	**2,178**	1,230
Operating profit		**175,095**	112,205
Finance costs	9	**(32,098)**	(8,110)
Finance income	9	**366**	205
Share of loss on investments accounted for using the equity method	13	**(85)**	(549)
Profit before income tax		**143,278**	103,751
Income tax expense	10	**(53,878)**	(29,613)
Profit for the year		**89,400**	74,138
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligation	28	**(870)**	144
Income tax relating to retirement benefits	10	**218**	(36)
Total other comprehensive income/(loss)		**(652)**	(108)
Total comprehensive income for the year		**88,748**	74,246
Earnings per share:			
Basic earnings per share (in GH¢)	24	**8.4603**	7.0160
Diluted earnings per share (in GH¢)	24	**8.4603**	7.0160

The notes on pages 44 to 67 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana cedis unless otherwise stated)

GH¢'000	Notes	31 December 2022	31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	11	**338,186**	291,428
Intangible assets	12	**748**	791
Investment in joint venture	13	**174**	259
Deferred income taxes	10	**211**	-
Total non-current assets		**339,319**	292,478
Current assets			
Inventories	14	**209,723**	139,126
Trade receivables	15	**320,357**	147,788
Amount due from related entities	25	**10,921**	2,449
Current income tax assets	10	**-**	28,434
Cash and cash equivalents	16	**115,067**	74,853
Total current assets		**656,068**	392,650
Total assets		**995,387**	685,128
Equity and liabilities			
Equity			
Stated capital	20	**2,311**	2,311
Proposed dividend	22	**88,201**	72,937
Other reserves	23	**(385)**	267
Retained earnings	21	**235**	235
Total equity		**90,362**	75,750
Liabilities			
Non-current liabilities			
Post-employment medical benefits	28	**22,356**	19,098
Lease liabilities	18	**24,686**	13,274
Deferred tax liabilities	10	**-**	4,467
Total non-current liabilities		**47,042**	36,839
Current liabilities			
Trade and other payables	17	**661,798**	493,194
Lease liabilities	18	**10,942**	5,373
Amount due to related entities	25	**137,001**	68,568
Current income tax liabilities	10	**7,918**	-
Bank overdrafts	16	**40,324**	5,404
Total current liabilities		**857,983**	572,539
Total liabilities		**905,025**	609,378
Total equity and liabilities		**995,387**	685,128

The notes on pages 44 to 67 are an integral part of these financial statements.

The financial statements on pages 40 to 67 were approved and authorised for issue by the Board of Directors on 30 June 2023 and signed on its behalf by:

Name of Director
KADER MAIGA

Name of Director
SAMUEL SARPONG

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana cedis unless otherwise stated)

GH¢'000	Stated capital	Retained earnings	Other reserves	Dividend	Total
Balance at 1 January 2022	**2,311**	**235**	**267**	**72,937**	**75,750**
Total comprehensive income for the year					
Profit for the year	-	89,400	-	-	**89,400**
Other comprehensive income, net of tax/(loss)	-	-	(652)	-	**(652)**
Total comprehensive income for the year	-	**89,400**	**(652)**	**-**	**88,748**
Transactions with owners recognised directly in equity:					
Dividend proposed for 2022	-	(89,400)	-	89,400	**-**
Dividend paid for 2021	-	-	-	(74,136)	**(74,136)**
Total transactions with owners	**-**	**(89,400)**	**-**	**15,264**	**(74,136)**
Balance at 31 December 2022	**2,311**	**235**	**(385)**	**88,201**	**90,362**
Year ended 31 December 2021					
Balance at 1 January 2021					
Total comprehensive income for the year	2,311	235	159	51,919	54,624
Profit for the year	-	74,138	-	-	74,138
Other comprehensive income, net of tax	-	-	108	-	108
Total comprehensive income for the year	-	74,138	108	-	74,246
Transactions with owners recognised directly in equity:					
Dividend proposed for 2021	-	(74,138)	-	74,138	-
Dividend paid for 2020	-	-	-	(53,120)	(53,120)
Total transactions with owners	-	(74,138)	-	21,018	(53,120)
Balance at 31 December 2022	2,311	235	267	72,937	75,750

The notes on pages 44 to 67 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

GH¢'000	Notes	2022	2021
Profit before tax		**143,278**	103,751
Adjustment for:			
Depreciation of property, plant and equipment	11	**30,942**	28,734
Amortisation of intangible assets	12	**43**	44
Profit/(loss) on disposal of property, plant and equipment	11	**(288)**	2,674
Loss on lease terminations	18	**-**	74
Exchange difference		**3,144**	14,356
Share of (profit)/loss on investment in joint venture	13	**85**	549
Post-employment benefit expense	28	**4,146**	3,892
Post-employment benefit paid	28	**(1,758)**	(1,429)
(Decrease)/increase in provision for inventory		**(425)**	1,025
Decrease in provision for impairment of receivables		**(163)**	(1,230)
Increase in inventories (gross)		**(70,172)**	(62,364)
Increase in trade and other receivables (gross)		**(172,406)**	(36,987)
(Increase)/decrease in amount due from related entities		**(8,472)**	462
Increase in trade and other payables		**174,664**	155,306
Increase in amount due to related entities		**68,433**	11,305
Finance costs	9	**32,098**	8,110
Finance income	9	**(366)**	(205)
Cash flows from operations		**202,783**	228,067
Interest paid on bank overdrafts	9	**(26,742)**	(5,921)
Interest received	9	**366**	205
Tax paid	10	**(32,099)**	(33,881)
Net cash inflow from operating activities		**144,308**	188,470
Cash flows from investing activities			
Purchase of property, plant and equipment		**(59,380)**	(66,119)
Proceeds from disposal of property, plant and equipment	11	**208**	439
Net cash outflow from investing activities		**(59,172)**	(65,680)
Cash flows from financing activities			
Dividend paid	22	**(74,136)**	(53,120)
Lease payments	18	**(2,562)**	(1,538)
Net cash outflow from financing activities		**(76,698)**	(54,658)
Net increase in cash and cash equivalents		**8,438**	68,132
Cash and cash equivalents as at 1 January		**69,449**	15,673
Effect of exchange rate changes on cash and cash equivalents		**(3,144)**	(14,356)
Cash and cash equivalents as at 31 December		**74,743**	69,449

The notes on pages 44 to 67 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

1. GENERAL INFORMATION

Vivo Energy Ghana Limited (the "Company") is a private limited liability company incorporated and domiciled in Ghana. The Company is authorised to carry on the business of acquiring, processing, transporting and selling petroleum and any products thereof together with such other business as may from time to time seem to the Company capable of being conveniently carried on in association therewith. The address of its registered office is: Vivo Energy House, P. O. Box 1097, Accra. Digital Address - GL-045-5051, Rangoon Lane, Cantonments City, Accra – Ghana.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Statement of compliance

The financial statements of the Company have been prepared to comply with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992).

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention except for the valuation of post-employment medical benefits.

(iii) New standards, amendments and interpretations adopted by the Company

The Company applied the following standards for the first time for the reporting period commencing on 1 January 2022.

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

Annual Improvements to IFRS Standards 2018–2020

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments above did not have any impact on the amounts recognised by the Company in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards and interpretations not yet adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards and amendments are not expected to have a material impact on the Company in the current or future periods.

Classification of liabilities as current or non-current – Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2021, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2024. At this stage, the Company does not intend to adopt the standard before its effective date.

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment is mandatory for financial years commencing on or after 1 January 2023.

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendment is mandatory for financial years commencing on or after 1 January 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. The amendment is mandatory for financial years commencing on or after 1 January 2023.

At this stage, the Company does not intend to adopt these amendments before their effective dates. The amendments are estimated to not have a material impact on the Company's financial statements.

(b) Joint arrangement

The Company has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for using the equity method. The interest in joint ventures is initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint ventures), the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2(w).

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ghana cedis, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the profit or loss on a net basis within selling, general and administrative expenses.

(d) Revenue from contracts with customers

Revenue from the sale of petroleum products is recognised when the Company sells to the customer. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Payment of the transaction price is due immediately when the customer purchases and takes delivery of the product.

The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Revenue is recognised at point in time.

Financing component: The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one

(All amounts are in thousands of Ghana cedis unless otherwise stated)

year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Customer loyalty programme: The Company operates a loyalty programme (Shell Club) where retail customers accumulate points for purchases made which entitle them to rewards. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire.

(e) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of a replaced part is derecognised. Property, plant and equipment classified as work in progress are not depreciated. All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other categories of assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold land and buildings	Over period of lease
Motor vehicles	20% - 33.3%
Plant and machinery	4% - 20%
Furniture, fittings and computer equipment	15% - 33.3%
Rights of use of assets	Over period of lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the policy described in note 2(w). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

(f) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of an expected useful life, which does not exceed five years, using the straight-line method.

Subsequent expenditure on software is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. In such instances, they are presented as non-current liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. They are derecognised when the obligations specified in the contracts are discharged, cancelled or expired.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase price and other non-refundable costs. Costs of purchased inventory are determined after deducting rebates and discounts. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(i) Financial assets

i. Classification

The Company classifies its financial assets as 'financial assets at amortised cost'. Financial instruments are classified as 'financial assets at amortised cost' when both criteria outlined below are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Company measures its financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest rate method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in profit or loss.

iv. Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate. Loss allowances for financial assets other than trade receivables are measured at an amount equal to lifetime Expected Credit Losses (ECLs).

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix, which takes into account historical credit loss experience adjusted for forward looking information. For trade receivables and other financial assets, ECL is measured at the amount equal to 12 months' ECL unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

(j) Financial liabilities

The Company classifies its financial assets as 'financial liabilities at amortised cost'. The Company's financial liabilities comprise trade and other payables, lease liabilities and amount due to related parties. These liabilities are recognised initially on the date at which the Company becomes a party to the contractual provision of the instrument. These financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expired. Any gain or loss on derecognition is also recognised in profit or loss.

(k) Determination of fair value

For financial instruments traded in active markets, the determination of fair values is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. The quoted market price used for financial assets is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the reporting dates.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment.

(l) Offsetting financial instruments

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

(m) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected within one year or less, they are classified as current assets. If not, they are presented as non-current. Other receivable amounts generally arise from transactions outside the usual operating activities of the Company. Prepayments are recognised at cost and amortised over the period of the service for which the payment was made.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade and other receivables (except prepayments) with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less loss allowance.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, in which case borrowings are classified as non-current.

(o) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(p) Stated capital

Ordinary shares are classified as 'stated capital' in equity. All shares are issued at no par value.

(q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

(r) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Defined contribution plan

The Company and all its employees contribute to a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company has a provident fund scheme for staff under which the Company contributes 10% of staff basic salary. The Company's obligations under the plan is limited to the relevant contributions and these are settled on due dates. The contributions are recognised as an employee benefit expense when they are due.

Long service award

Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date. The Company recognises a liability and an expense for bonuses taking into consideration the profit attributable to the Company's shareholders. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Post-employment obligations

The Company provides post-employment medical benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

The present value of the obligation is determined by discounting the estimated future cash outflows using the average yield of government bonds with maturity of 5 years and above. 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.

The risks the plan is exposed to is disclosed in note 28. There are no regulations specifically affecting the post-employment obligations.

(s) Income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax is the amount of tax payable on taxable profit for the year in accordance with relevant tax laws. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affects neither taxable income/loss nor accounting profit/loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(t) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared by the members through a members' resolution.

(u) Amounts due from/(to) related parties

These include purchases from or sales to related parties, payments made on behalf of related parties and on the Company's behalf by related parties recognised initially at fair value plus direct transaction costs and subsequently at amortised costs. Amounts due from related parties are classified as financial assets measured at amortised cost. Amounts due to related parties are classified as financial liabilities measured at amortised cost.

(v) Leases

The Company leases office buildings, various service stations and buses. Rental contracts are typically made for fixed periods of 3 years to 20 years but may have extension options as described in note 3 below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use (RoU) asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of service stations and buses and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Low-value assets comprise values below US$5,000. Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees

(All amounts are in thousands of Ghana cedis unless otherwise stated)

- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Company acting as a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their standalone prices. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes 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 Company considers certain indicators such as whether the leases are for the major part of the economic life of the asset. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease 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 Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

The Company recognises lease payments received under operating leases as income on a straight-line 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 Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

(w) Impairment of assets

Assets with finite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(x) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Post-employment medical benefits

The present value of post-employment medical benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net expenses (income) for medical pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. Other key assumptions for the pension obligations are based on market conditions. Additional information is disclosed in note 28.

Accounting for leases under IFRS 16

In establishing the lease term for each lease contract that has an option to extend, judgement has been applied to determine the extension period. When it is concluded that it is reasonably certain that the extension option will be utilised, the lease term is extended to include the reasonably certain period of five years. The lease agreements have the option to extend the leases and the option to terminate the leases. The extension options in different contracts vary between five years to unlimited period. The Company uses significant assumption that all of the existing leases that are expiring within the following five years that have an extension option will be extended for an additional five years period, when determining the lease term. In addition, IFRS 16 requires lease payments to be discounted using the interest rate implicit in the lease. In case the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate should

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be used. That is the rate of interest that a lessee would have to pay to borrow over a similar value to the right-of-use asset in a similar economic environment. Accordingly, the Company elected to use the borrowing rates needed to acquire a similar asset.

Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. In applying the provision matrix, the Company estimates the ultimate write-offs for a defined population of trade receivables. A loss ratio is calculated according to the ageing profile of the trade receivables by applying the historic default rate to the payment profile of the population adjusted to reflect current and forward-looking information on macroeconomic factors. The Company exercises significant judgements in the inputs, assumptions and techniques for estimating ECL, default and credit impaired assets.

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under policies approved by the Directors.

Market risk

Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various transactions, primarily with respect to the US dollar. Management's policy to manage foreign exchange risk is to hold bank accounts in foreign currency for purchases of imported petroleum products.

At 31 December 2022, if the currency had weakened/strengthened by 10% (2021: 10%) against the US dollar with all other variables held constant, post-tax profit for the year and equity would have been GH¢18,834,409 (2021: GH¢9,747,751) higher/lower, mainly as a result of US dollar denominated trade and other payables, trade and other receivables, amount due from/due to related parties and bank balances.

At 31 December 2022, the Company's exposure to the Euro was immaterial.

Cash flow interest rate risk

The sensitivity analysis for interest rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The Company has used sensitivity analysis technique to measure the estimated impact on profit or loss. The Company's credit risk arises from bank overdrafts with interest rates quoted at the Ghana Reference Rate plus a margin.

At 31 December 2022, if market interest rate had been 100 basis points higher/lower with all variables held constant, post-tax profit for the year would have been GH¢302,429 lower/higher as a result of interest expense on borrowings (2021: GH¢40,537).

Credit risk

Credit risk arises from bank balances with banks and specialised deposit-taking institutions, and related party transactions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The credit controller is responsible for managing and analysing credit risk for each new client before standard payment and delivery terms are offered. Credit risk arises from cash at bank, trade and other receivables (except prepayments) and amounts due from related parties. The Company does not have any significant concentrations of credit risk.

The Company transacts business with only financial institutions licensed by the regulator of banks. For trade and other receivables (except prepayments) and amounts due from related entities, the credit controller assesses the credit quality of the counterparty, taking into account its financial position, past experience and other factors.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and amounts due from related parties. Based on the historical trends of defaults, there are very minimal instances of default under 180 days. Accordingly, under the impairment model, the estimated credit losses for all receivables up to 180 days will be 0% and 100% above 180 days. Impairment losses on receivables and amounts due from related entities are presented as net impairment losses in profit or loss.

The table below summarises the maximum exposure to credit risk as follows:

GH¢'000	2022	2021
Trade and other receivables (excluding non-financial assets)	**219,770**	153,145
Impairment charge	**(13,685)**	(13,848)
Net trade and other receivables	**206,085**	139,297
Bank balances	**115,067**	74,853
Amount due from related entities	**10,921**	2,449
Total credit risk exposure	**332,073**	216,599

No collateral is held in respect of the above assets.

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Financial assets	Not impaired	Credit impaired	2022 Total	2021
Bank balances	**115,067**	**-**	**115,067**	74,853
Trade receivables	**202,303**	**13,685**	**215,988**	148,277
Other receivables	**2,663**	**-**	**2,663**	4,135
Amount due from staff	**1,119**	**-**	**1,119**	733
Gross carrying amount	**332,073**	**13,685**	**345,758**	230,447
Loss allowance	**-**	**(13,685)**	**(13,685)**	(13,848)
Net carrying amount	**332,073**	**-**	**332,073**	216,599

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining adequate cash reserves and calling on short-term borrowing. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Management performs cash flow forecasting and monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows:

At 31 December 2022	Less than 1 year Carrying value	More than 1 year Carrying value	Less than 1 year Cash flow	More than 1 year Cash flow
Trade and other payables (excluding statutory obligations)	**564,083**	**-**	**564,083**	**-**
Amount due to related entities	**137,001**	**-**	**137,001**	**-**
Lease liabilities	**10,942**	**24,686**	**10,942**	**30,416**
Bank overdrafts	**40,324**	**-**	**43,725**	**-**
	752,350	**24,686**	**755,751**	**30,416**
At 31 December 2021				
Trade and other payables (excluding statutory obligations)	432,688	-	432,688	-
Amount due to related entities	68,568	-	68,568	-
Lease liabilities	5,373	13,274	5,373	16,306
Bank overdrafts	5,404	-	5,495	-
	512,033	13,274	512,124	16,306

Classification of financial assets and liabilities

GH¢'000	At 31 December 2022	At 31 December 2021
Financial assets at amortised cost		
Trade and other receivables (less prepayments and VAT receivable)	**206,085**	139,297
Amount due from related entities	**10,921**	2,449
Bank balances	**115,067**	74,853
	332,073	216,599
Financial liabilities at amortised costs		
Trade and other payables (excluding statutory obligations)	**564,083**	432,688
Lease liabilities	**35,628**	18,647
Bank overdrafts	**40,324**	5,404
Amounts due to related entities	**137,001**	68,568
	777,036	525,307

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Fair value of financial assets and liabilities

The carrying amounts of current financial assets and liabilities are a reasonable approximation of their fair value due to their short-term nature. For the non-current financial assets and liabilities, the fair values are not materially different to their carrying amounts since the interest payable is close to current market rates.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position plus net debt. During 2022, the Company's strategy, which was unchanged from 2021, was to maintain a gearing ratio within 0% to 50%.

The gearing ratio at year end was as follows:

GH¢'000	2022	2021
Bank balances	**115,067**	74,853
Lease liabilities	**(35,628)**	(18,647)
Bank overdrafts	**(40,324)**	(5,404)
Net debt	**39,115**	50,802
Total equity	**90,362**	75,750
Total capital	**90,362**	75,750
Gearing ratio	**-**	-

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022	2021
Gross revenue less discounts	**5,708,125**	3,105,717
Customs duties and levies	**(925,407)**	(915,967)
Net revenue	**4,782,718**	2,189,750

Below is the movement schedule of the customer incentive programme liability included in trade and other payables (note 17).

	At 1 January	Amount accrued	Rewards redeemed	At 31 December
Year ended 31 December 2022				
Customer incentive programme	**1,817**	**1,195**	**(1,224)**	**1,788**
Year ended 31 December 2021				
Customer incentive programme	1,260	890	(333)	1,817

6. COST OF SALES

	2022	2021
Purchased cost of inventory sold	**4,226,917**	1,785,774
Transport and other freight costs	**139,576**	141,515
	4,366,493	1,927,289

(All amounts are in thousands of Ghana cedis unless otherwise stated)

7. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Staff costs	**50,786**	38,413
Depreciation and amortisation	**30,985**	28,778
Auditor's remuneration	**748**	396
Consultancy	**9,872**	6,921
Directors' emoluments	**179**	201
Donations and sponsorships	**379**	55
Promotional expenses	**11,701**	9,315
Service fees	**79,213**	49,184
Bad debts written off	**-**	477
Insurance expenses	**1,135**	1,250
Variable lease payments	**11,116**	7,901
Short-term leases	**1,116**	1,681
Office consumables	**3,835**	3,139
Exchange differences (net)	**106**	(677)
Repairs and maintenance	**20,933**	11,287
Information and communication expenses	**1,317**	1,383
Travel expenses	**4,110**	2,236
Loss on disposal/write-off of property, plant and equipment	**-**	2,674
Taxes and levies	**1,543**	1,571
Fines and penalties	**34,376**	-
Legal expenses	**1,024**	862
Other general and administrative expenses	**3,876**	2,861
	268,350	169,908

Expenses relating to short-term leases, low-value leases and variable leases are recorded as rent expenses in the Company's accounting records and not included in lease liabilities. Refer to note 18.

The staff costs comprise:

	2022	2021
Wages, salaries and performance rewards	**26,054**	22,471
Staff welfare	**3,677**	2,494
Staff allowances	**6,804**	3,549
Social security contributions	**2,119**	1,851
Provident fund contributions	**2,355**	1,624
Post-employment medical benefits	**4,146**	3,892
Long-term incentive expense	**1,510**	780
Other staff-related costs	**4,121**	1,752
	50,786	38,413

The average number of persons employed by the Company during the year was 137 (2021: 130).

8. OTHER INCOME

	2022	2021
Dealership fees	**24,577**	18,178
Non-fuel income	**231**	125
Profit on disposal	**288**	-
Rental (expenses)/income	**(54)**	119
	25,042	18,422

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(All amounts are in thousands of Ghana cedis unless otherwise stated)

9. FINANCE COSTS AND INCOME

	2022	2021
Finance costs		
Interest expense on bank overdrafts	**(26,742)**	(5,921)
Interest expense on leases	**(5,356)**	(2,189)
	(32,098)	(8,110)
Finance income		
Interest income on bank accounts	**366**	205

10. INCOME TAX

Income tax expenses in profit or loss comprise:

	2022	2021
Current income tax expense	**58,338**	24,669
Deferred tax (credit)/expense	**(4,460)**	4,944
	53,878	29,613

Current income tax

	Balance at 1 January	Charge to profit or loss	Payments in the year	Adjustment	Balance at 31 December
Year of assessment					
Up to 2021	**(28,434)**	**14,603**	**-**	**10,113**	**(3,718)**
2022	**-**	**43,735**	**(32,099)**	**-**	**11,636**
	(28,434)	**58,338**	**(32,099)**	**10,113**	**7,918**
Year of assessment					
Up to 2020	(19,222)	-	(5,493)	-	(24,715)
2021	-	24,669	(28,388)	-	(3,719)
	(19,222)	24,669	(33,881)	-	(28,434)

The adjustment of GH¢10.11 million relates to the certified tax credit following the 2015 to 2020 Tax audit conducted by the Ghana Revenue Authority. The current income tax for 2015 to 2020, prior to the audit, was GH¢24.72 million. The difference between the carrying amount and the certified credit has been written off as a charge. The certified tax credit was used to settle the Company's indirect tax liability.

Deferred tax

Deferred tax is calculated using the enacted income tax rate of 25% (2021: 25%). The movement on the deferred tax (assets)/liabilities account is as follows:

	2022	2021
At 1 January	**4,467**	(513)
(Credit)/charge to profit or loss	**(4,460)**	4,944
(Credit)/charge to other comprehensive income	**(218)**	36
At 31 December	**(211)**	4,467

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Deferred tax (assets)/liabilities and deferred tax charge in profit or loss are attributable to the following items:

Deferred income tax liabilities/(assets)	**At 1 January**	**(Credit)/charge to profit or loss**	**Credit to other comprehensive income**	**At 31 December**
Year ended 31 December 2022				
Accelerated tax depreciation	12,993	(3,430)	-	**9,563**
Other deductible temporary differences	(5,333)	(628)	(218)	**(6,179)**
Provision for doubtful debt	(3,462)	41	-	**(3,421)**
Right-of-use assets	269	(443)	-	**(174)**
Net deferred income tax liabilities/(assets)	**4,467**	**(4,460)**	**(218)**	**(211)**

Deferred income tax (assets)/liabilities	At 1 January	(Credit)/charge to profit or loss	Charge to other comprehensive income	At 31 December
Year ended 31 December 2021				
Accelerated tax depreciation	10,260	2,733	-	12,993
Other deductible temporary differences	(4,778)	(591)	36	(5,333)
Provision for doubtful debt	(3,770)	308	-	(3,462)
Right-of-use assets	(2,225)	2,494	-	269
Net deferred income tax (assets)/liabilities	(513)	4,944	36	4,467

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2022	2021
Profit before income tax	**143,278**	103,751
Tax calculated at the statutory income tax rate of 25% (2021: 25%)	**35,820**	25,938
Adjusted for tax effect of:		
Expenses not deductible for tax purposes	**8,688**	407
Under provision for prior year taxes	**9,370**	-
Deferred taxes not recognised in prior years	**-**	3,313
Income subject to tax at different rates	**-**	(45)
Income tax expense	**53,878**	29,613
Effective tax rate	**37.6%**	28.5%

(All amounts are in thousands of Ghana cedis unless otherwise stated)

11. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2022	Leasehold land and building	Motor vehicles	Plant and machinery	Furniture, fittings and computer equipment	Right-of-use (ROU) assets	Capital work-in-progress	Total
Cost							
At 1 January	**127,333**	**10,891**	**97,041**	**51,733**	**115,655**	**21,877**	**424,530**
Additions	**12,925**	**2,757**	**11,509**	**1,558**	**28,028**	**21,010**	**77,787**
Disposals	**(852)**	**(1,300)**	**(4,835)**	**(2,212)**	**(653)**	**-**	**(9,852)**
Transfers	**6,546**	**-**	**10,713**	**1,235**	**-**	**(18,494)**	**-**
At 31 December	**145,952**	**12,348**	**114,428**	**52,314**	**143,030**	**24,393**	**492,465**
Accumulated depreciation							
At 1 January	25,548	8,293	45,429	27,367	26,465	-	**133,102**
Charge for year	6,184	1,341	8,486	5,277	9,654	-	**30,942**
Release on disposals	(852)	(1,300)	(4,835)	(2,212)	(566)	-	**(9,765)**
At 31 December	**30,880**	**8,334**	**49,080**	**30,432**	**35,553**	**-**	**154,279**
Net book amount							
At 31 December 2022	**115,072**	**4,014**	**65,348**	**21,882**	**107,477**	**24,393**	**338,186**
Year ended 31 December 2021							
Cost							
At 1 January	108,415	10,531	90,303	48,432	88,254	16,721	362,656
Additions	14,521	1,139	6,914	2,076	27,401	19,500	71,551
Disposals	(352)	(789)	(240)	(1,869)	-	-	(3,250)
Transfers	7,199	105	3,246	3,794	-	(14,344)	-
Write-offs	(2,450)	(95)	(3,182)	(700)	-	-	(6,427)
At 31 December	127,333	10,891	97,041	51,733	115,655	21,877	424,530
Accumulated depreciation							
At 1 January	21,739	7,956	39,940	24,169	17,128	-	110,932
Charge for year	4,635	1,186	8,022	5,554	9,337	-	28,734
Release on disposals	(15)	(789)	(237)	(1,715)	-	-	(2,756)
Write-offs	(811)	(60)	(2,296)	(641)	-	-	(3,808)
At 31 December	25,548	8,293	45,429	27,367	26,465	-	133,102
Net book amount							
At 31 December 2021	101,785	2,598	51,612	24,366	89,190	21,877	291,428

Additions for the year ended 31 December 2022 includes items of property, plant and equipment that were purchased on credit and capitalised lease liabilities totalling GH¢18,407,893 (2021: GH¢5,432,295).

The amounts written-off during the year 2021 mainly relates to assets affixed to a decommissioned site. Management has decided to write-off the net book values of these assets as it does not consider the remaining net book values to be recoverable.

	2022	2021
(Profit)/loss on disposal of property, plant and equipment		
Cost	**9,852**	3,250
Accumulated depreciation	**(9,765)**	(2,756)
Net book amount	**87**	494
Proceeds from disposal	**(208)**	(439)
Net book amount of assets written-off	**-**	2,619
Lease liabilities on ROU assets disposed	**(167)**	-
(Profit)/loss on disposal of property, plant and equipment	**(288)**	2,674

(All amounts are in thousands of Ghana cedis unless otherwise stated)

12. INTANGIBLE ASSETS

	2022	2021
Software		
Cost		
At 1 January	**875**	875
Accumulated amortisation		
At 1 January	**84**	40
Charge for the year	**43**	44
At 31 December	**127**	84
Net book amount		
At 31 December	**748**	791

13. INVESTMENT IN JOINT VENTURE

Investment in joint venture represents the carrying value of ordinary shares held by the Company in Road Safety Limited (RSL), a company incorporated and domiciled in Ghana. The Company holds 50% of ownership interest in RSL. The movement in investment in joint venture recognised in the financial statement is as follows:

	2022	2021
At 1 January	**259**	808
Share of profit/(loss)	**(85)**	(549)
At 31 December	**174**	259

Summarised financial information for joint venture

Set out below are the summarised financial information for RSL which is accounted for using the equity method.

Summarised statement of financial position

	2022	2021
Cash and cash equivalents	**220**	61
Other assets	**3,519**	2,199
Total current assets	**3,739**	2,260
Trade payables	**(863)**	(2,144)
Other current liabilities	**(3,061)**	(260)
Total current liabilities	**(3,924)**	(2,404)
Total non-current liabilities	**-**	(37)
Non-current assets	**533**	699
Net assets	**348**	518

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Summarised statement of comprehensive income

	2022	2021
Revenue	**6,493**	3,987
Cost of sales	**(3,338)**	(1,927)
Gross profit	**3,155**	2,060
Depreciation and amortisation	**(216)**	(205)
General, selling and administrative expenses	**(3,202)**	(2,956)
Operating loss	**(263)**	(1,101)
Interest income	**-**	2
Other income	**26**	-
Loss before tax	**(237)**	(1,099)
Income tax expense	**67**	-
Net loss for the year	**(170)**	(1,099)

Reconciliation of the summarised financial information presented to the carrying amount of the Company's interest in the joint venture.

	2022	2021
Opening net assets	**518**	1,617
Loss for the year	**(170)**	(1,099)
Closing net assets	**348**	518
Interest in joint venture at 50%	**174**	259
Carrying amount	**174**	259

14. INVENTORIES

	2022	2021
Petroleum products	**209,674**	140,043
Consumables	**1,023**	482
	210,697	140,525
Less: Provision for obsolescence	**(974)**	(1,399)
	209,723	139,126

Inventories recognised as an expense during the year ended 31 December 2022 amounted to GH¢4.227 billion (2021: GH¢1.786 billion). These were included in cost of sales under note 6.

The provision for inventory is in relation to damaged stock. There was no write-down of inventories to net realisable value during the year ended 31 December 2022 (2021: Nil).

(All amounts are in thousands of Ghana cedis unless otherwise stated)

15. TRADE AND OTHER RECEIVABLES

	2022	2021
Financial assets at amortised cost		
Trade receivables (gross)	**215,988**	148,277
Less: loss allowance	**(13,685)**	(13,848)
Trade receivables (net)	**202,303**	134,429
Amount due from staff	**1,119**	733
Other receivables	**2,663**	4,135
	206,085	139,297
Non-financial assets		
Prepayments	**113,532**	7,751
VAT receivable	**740**	740
	114,272	8,491
	320,357	147,788

The maximum amount of staff advances during the year did not exceed GH¢1,118,670 (2021: GH¢732,861).

The movement on provision for impairment of trade receivables is as follows:

	2022	2021
At 1 January	**13,848**	15,078
Decrease during the year	**(163)**	(1,230)
At 31 December	**13,685**	13,848

Net impairment reversals		
Movement in loss allowance for trade receivables	**(163)**	(1,230)
Bad debt recoveries	**(2,015)**	-
	(2,178)	(1,230)

The carrying amount of trade and other receivables approximate their fair value due to their short-term nature.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2022	2021
Bank balances	**115,067**	74,853
Bank overdrafts (note 19)	**(40,324)**	(5,404)
	74,743	69,449

(All amounts are in thousands of Ghana cedis unless otherwise stated)

17. TRADE AND OTHER PAYABLES

	2022	2021
Trade payables	**352,558**	300,056
Other payables	**157,468**	87,836
Contract liabilities (customer incentive programme) – note 5	**1,788**	1,817
Accruals	**52,269**	42,979
Statutory obligations	**97,715**	60,506
	661,798	493,194

The carrying amount of trade and other payables approximate their fair value due to their short-term nature.

18. LEASES

(i) Amounts recognised in the statement of financial position

The balances arising from the Company's leasing activities are set out below:

Right-of-use assets	2022	2021
Office building	**26,064**	26,181
Service stations	**81,098**	62,554
Motor vehicles	**315**	455
	107,477	89,190

Right-of-use assets of the Company are included in 'Property, plant and equipment' in note 11. During the year ended 31 December 2022, total additions to right-of-use assets was GH¢28,028,023 (2021: GH¢27,400,655).

Lease liabilities	2022	2021
Current	**10,942**	5,373
Non-current	**24,686**	13,274
	35,628	18,647

Movement in lease liabilities	2022	2021
Opening balance	**18,647**	12,490
Additions	**14,354**	5,432
Interest expense	**5,356**	2,189
Payments	**(2,562)**	(1,538)
Lease terminations	**(167)**	74
	35,628	18,647

(ii) Amounts recognised in the statement of comprehensive income

Depreciation expense	2022	2021
Office building	**837**	768
Service stations	**8,510**	8,465
Motor vehicles	**141**	104
	9,488	9,337
Interest expense (included in finance costs)	**5,356**	2,189

(All amounts are in thousands of Ghana cedis unless otherwise stated)

The total cash outflow for lease liabilities in 2022 was GH¢2,561,390 (2021: GH¢1,537,840).

The value of expenses relating to short-term leases, low-value assets and variable leases not included in lease liabilities is GH¢12,232,959 (2021: GH¢9,581,546). These expenses are related to leases of low-value service stations, variable lease payments on service stations and short-term lease of buses and equipment.

Variable lease payments

Some service station leases contain variable payment terms that are linked to sales generated from the station. For individual stations, up to 8% of lease payments are on the basis of variable payment terms with percentages ranging from 1.5% to 2% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stations. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 10% increase in sales across all service stations in the Company with such variable lease contracts would increase total lease payments by approximately GH¢1,018,000 (2021: GH¢421,000).

19. BANK OVERDRAFTS

a. The Company has an unsecured overdraft facility not exceeding GH¢25 million with Societe-Generale Ghana Limited attracting interest at 33.28% p.a. (2021: GH¢18.58 million).

b. The Company has two unsecured overdraft facilities with Ecobank Ghana Limited detailed below.
   (i) An amount not exceeding the Ghana cedi equivalent US$12.573 million attracting interest at the Ghana Reference Rate plus 3% (2021: US$9.5 million).
   (ii) An amount not exceeding US$1 million attracting interest at 5% p.a. (2021: US$1 million).

c. The Company has an unsecured overdraft facility not exceeding GH¢41 million with Stanbic Bank Ghana Limited attracting interest at the Ghana Reference Rate plus 2% (2021: GH¢41 million).

d. The Company has an unsecured overdraft facility not exceeding GH¢40 million with Standard Chartered Bank attracting interest at 34.04%. (2021: GH¢20 million).

e. The Company has an unsecured overdraft facility not exceeding GH¢30 million with Zenith Bank Ghana Limited attracting interest at 33.83% p.a. (2021: GH¢12 million).

f. The Company has an overdraft facility not exceeding GH¢51.576 million with Absa Bank Ghana Limited attracting interest at 33.93% p.a. (2021: GH¢21.576 million).

g. The Company has an overdraft facility not exceeding GH¢30 million with GCB Bank PLC attracting interest at 33.83% p.a. (2021: Nil).

20. STATED CAPITAL

The authorised shares of the Company is 12,000,000 (2021: 12,000,000) ordinary shares of no par value. The shares have been issued as follows:

	Number of shares		Amount	
	2022	2021	**2022**	2021
Cash consideration	**5,283,900**	5,283,900	**2,220**	2,220
Consideration other than cash	**3,791,697**	3,791,697	**67**	67
Transfer from retained earnings	**1,491,203**	1,491,203	**24**	24
	10,566,800	10,566,800	**2,311**	2,311

The transfer from retained earnings is in accordance with Section 77(1) of the Companies Act, 2019 (Act 992).

There is no unpaid liability on any share and there are no calls or instalments unpaid on any share. There are no treasury shares (2021: Nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(All amounts are in thousands of Ghana cedis unless otherwise stated)

21. RETAINED EARNINGS

Retained earnings represent cumulative earnings available for distribution to members of the Company subject to the requirements of the Companies Act, 2019 (Act 992). Movements in the retained earnings are shown in the statement of changes in equity on page 42 of these financial statements.

22. DIVIDENDS

At the next annual general meeting, the directors will recommend payment of a dividend of GH¢8.460 per share amounting to GH¢89.400 million for the year ended 31 December 2022 (2021: GH¢7.016 per share amounting to GH¢74.138 million). The amount has been set aside in equity as proposed dividend.

Payment of dividends is subject to withholding tax rates of up to 8% depending on the resident status of the shareholders.

	2022	2021
At 1 January	**72,937**	51,919
Dividend proposed	**89,400**	74,138
Dividend paid	**(74,136)**	(53,120)
	88,201	72,937

23. OTHER RESERVES

Other reserves represent actuarial gains and losses on post-employment medical benefits recognised through other comprehensive income.

	2022	2021
At 1 January	**267**	159
Actuarial (loss)/gain	**(870)**	144
Deferred tax credit/(charge)	**218**	(36)
At 31 December	**(385)**	267

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to assume all dilutive potential ordinary shares. The Company has no convertible notes and share options which could potentially dilute its earnings per share. Hence, basic and diluted earnings per share remain the same.

	2022	2021
Profit attributable to equity holders of the Company	**89,400**	74,138
Weighted average number of ordinary shares ('000)	**10,567**	10,567
Basic and diluted earnings per share expressed in GH¢ per share	**8.460**	7.016

25. RELATED PARTY DISCLOSURES

Entities are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions, or one other party controls both. The Company is a subsidiary of Vivo Energy Ghana Holding B.V. The ultimate parent company is Vivo Energy Limited, a company incorporated in the United Kingdom. The Company is also related to other entities through common shareholding or directorship.

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Transactions with key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Vivo Energy Ghana Limited (directly or indirectly) and comprise the executive directors and senior management of Vivo Energy Ghana Limited.

Remuneration of key management personnel are as follows:

	2022	2021
Salaries and other short-term benefits	**15,022**	13,709
Pension and provident fund contributions	**872**	306
	15,894	14,015

Transactions with non-executive directors

Fees and allowances paid to non-executive directors during the year ended 31 December 2022 amounted to GH¢179,035 (2021: GH¢200,743).

Transactions with related entities

The following transactions were carried out with related entities during the year.

Purchase of products from related entities by the Company:

	Nature of relationship	2022	2021
Shell and Vivo Lubricants Ghana Limited	a	**93,743**	95,639
Shell Vivo Lubricants DMCC	c	**251,464**	125,915
Chase Petroleum Limited	d	**125,019**	44,904
Chase Logistics Limited	d	**37**	32
Road Safety Limited	b	**994**	692

Sale of products:

	Nature of relationship	2022	2021
Helios Towers	c	**25,004**	9,266
Vitol Aviation	c	**-**	201
Vivo Energy Mali	c	**-**	1,587
Vivo Energy Cote D'Ivoire	c	**222**	133
Vivo Energy Burkina Faso	c	**2**	120
Vivo Energy Guinea	c	**493**	-

Services rendered by related entities:

Shell Brands International AG	f	**-**	23,795
Vivo Energy Mali	c	**743**	81
Vivo Energy Malawi	c	**384**	-
Vivo Energy Cote D'Ivoire	c	**-**	97
Vivo Energy Kenya	c	**233**	11
Vivo Energy Senegal	c	**39**	-
Vivo Energy Africa Services	c	**31,728**	14,068

Services rendered to related entities:

Vivo Energy Investments B.V.	c	**7,250**	1,911
Vivo Energy Malawi	c	**-**	163
Vivo Energy Tanzania	c	**-**	92

Dividends paid to parent company:

Vivo Energy Ghana Holding B.V.	e	**56,630**	39,490

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(All amounts are in thousands of Ghana cedis unless otherwise stated)

a. This is an entity that is related to the Company through common ownership and directorship.

b. This is an entity to which the Company is a joint venturer.

c. These are entities that are related to the Company through common ownership.

d. These are entities that are related to the Company through common directorship.

e. This is the immediate parent entity of the Company.

f. This entity was related to the Company through common ownership. At 31 December 2022, this relationship with the Company had ceased to exist.

	2022	2021
Year end balances arising from transactions with related entities:		
Amount due from related entities		
Vivo Energy Investments B.V.	**7,055**	2,118
Vivo Energy Burkina Faso	**-**	120
Vivo Energy Cote D'Ivoire	**162**	-
Vivo Energy Malawi	**-**	170
Vivo Energy Tanzania	**21**	41
Vitol Ghana	**57**	-
Shell and Vivo Lubricants Ghana	**98**	-
Helios Towers	**3,528**	-
	10,921	2,449

Amount due to related entities

	2022	2021
Shell and Vivo Lubricants DMCC	**100,208**	25,354
Shell and Vivo Lubricants Ghana Limited	**16,552**	21,112
Shell Brands International AG	**-**	6,118
Chase Petroleum Group	**14,471**	12,825
Road Safety Limited	**61**	53
Vivo Energy Africa Services	**5,570**	3,014
Vivo Energy Kenya	**50**	11
Vivo Energy Mali	**89**	81
	137,001	68,568

Amount due to related entities and amount due from related entities set out above are unsecured, non-interest bearing and are to be settled in cash within twelve months from the end of the reporting period. No guarantees have been given or received from related entities.

(All amounts are in thousands of Ghana cedis unless otherwise stated)

26. CONTINGENT LIABILITIES

i. In 2017, the Ghana Revenue Authority (GRA) conducted a tax audit in respect of transfer pricing for 2012 to 2016 years of assessment. The draft report, issued in 2018, estimated a preliminary additional tax exposure of GH¢67,952,148 which management contested except the claim on advertising, marketing and promotion of the Shell Brand amounting to GH¢773,501. GRA, however, could not conclude the audit due to a fire incident at their office in 2019.

   In June 2022, GRA decided to re-open the audit covering 2014 to 2019 years of assessment. The audit resulted in a provisional tax liability of GH¢50,478,742.33. Management has contested the issues raised and a final assessment is yet to be determined by GRA.

ii. The Company was involved in a number of lawsuits during the year. Management's assessment is that the claims against the Company cannot be reasonably estimated or determined and the probability of the outcome of the legal cases are uncertain hence there are no contingent liabilities for the year. (2021: Nil).

27. CAPITAL COMMITMENTS

At 31 December 2022, the Company had capital commitments amounting to GH¢2,015,116 (2021: GH¢2,781,155). These commitments are in respect of the construction and refurbishment of fuel stations.

28. POST-EMPLOYMENT MEDICAL BENEFITS

The movement in the unfunded post-employment medical benefits during the year is as follows:

	2022	2021
At 1 January	**19,098**	16,779
Included in profit or loss:		
Current service costs	**184**	185
Interest expense	**3,962**	3,707
	4,146	3,892
Included in other comprehensive income:		
Actuarial remeasurement		
- Losses/(gains) due to experience on defined benefit obligations	**870**	(144)
	870	(144)
Other:		
Benefits paid	**(1,758)**	(1,429)
At 31 December	**22,356**	19,098

(All amounts are in thousands of Ghana cedis unless otherwise stated)

The most significant assumptions underlying the Company's post-employment benefit obligation are detailed below:

	2022	2021
Discount rate	**34.50%**	21.60%
Medical cost increase rate	**28.25%**	16.35%
Average medical cost per life (GH¢)	**8,289**	7,124

In 2021 and 2022, the actuarial loss on the post-employment obligations related to changes in financial assumptions. There were no gains/losses from changes in demographic assumptions.

The pension liability is calculated using a discount rate set with reference to the average interest rate of Government of Ghana Bonds issued with a maturity period of 5 years or more. The discount rate is the rate that is used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. There are no plan assets supporting the pension obligations.

The table below shows the sensitivity analysis:

Year ended 31 December 2022	**At 31 December**	**Discount rate +0.5%**	**Discount rate -0.5%**
Post-employment medical benefits	**22,356**	**21,485**	**23,293**
Year ended 31 December 2021	At 31 December	Discount rate +0.5%	Discount rate -0.5%
Post-employment medical benefits	19,098	18,249	20,021

Medical cost increase rate

The Company's pension obligations are linked to inflation. Higher inflation will lead to higher liabilities. There are no plan assets meaning that an increase in inflation will increase the plan deficit.

The table below shows the sensitivity analysis:

Year ended 31 December 2022	**At 31 December**	**Medical cost rate +0.5%**	**Medical cost rate -0.5%**
Post-employment medical benefits	**22,356**	**23,337**	**21,441**
Year ended 31 December 2021			
Post-employment medical benefits	19,098	20,060	18,209

Average medical cost per life

The actual cost depends on the number of claims actually made in a year, the size of these claims as well as the average increase in inflation. Increases in the average medical cost per life will result in an increase in the plan liabilities while decreases in the average medical cost per life will result in a decrease in the plan liabilities.

Year ended 31 December 2022	**At 31 December**	**Average medical cost per life +GH¢500**	**Average medical cost per life -GH¢500**
Post-employment medical benefits	**22,356**	**21,007**	**23,705**
Year ended 31 December 2021			
Post-employment medical benefits	19,098	17,757	20,438

(All amounts are in thousands of Ghana cedis unless otherwise stated)

Life expectancy

The plan obligations are to provide medical benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. Decreases in life expectancy will result in a decrease in the plan liabilities.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The expected benefit payment to post-employment medical plan for the year ended 31 December 2022 is GH¢1,977,000. (2021: GH¢1,509,000).

The weighted average duration of the defined benefit obligation is 11 years (2021: 11 years).

29. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting date, which could have had a material effect on the state of affairs of the Company as at 31 December 2022 and on the results for the year then ended which have not been adequately provided for and/or disclosed.

CORPORATE INFORMATION

Registered Name	VIVO ENERGY GHANA LIMITED
Directors	FRANCK KONAN-YAHAUT - CHAIRMAN KADER MAIGA - MANAGING DIRECTOR KWAKU BEDIAKO REINDOLF DOMEY SAMUEL SARPONG MERCY AMOAH PROFESSOR KWAKU APPIAH-ADU KILAI MUASYA EMMANUEL ODARTEY LAMPTEY
Secretary	NAA SHIOKOR BOI-BI-BOI DIGITAL ADDRESS GL-045-5051 RANGOON LANE, CANTONMENTS CITY ACCRA-GHANA
Registered Office	P.O. BOX 1097 ACCRA DIGITAL ADDRESS GL-045-5051 RANGOON LANE CANTONMENTS CITY ACCRA-GHANA
Registrar	UNIVERSAL MERCHANT BANK LIMITED 57 EXAMINATION LOOP NORTH RIDGE P.O. BOX 401 ACCRA
Independent Auditor	PRICEWATERHOUSE COOPERS CHARTERED ACCOUNTANTS PWC TOWER A4 RANGOON LANE, CANTONMENTS CITY PMB CT42 ACCRA
Solicitors	BENTSI-ENCHILL, LETSA AND ANKOMAH OWUSU-ANKOMAH, ARVOH MENSAH, DZIGBA & ASSOCIATES MORRISON, TWUMASI & PARTNERS KUENYEHIA & NUTSUKPUI MOOMIN & BOTTA SOLICITORS AB & DAVID

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