GHANA
STOCK
EXCHANGE

PRESS RELEASE

PR. No 132/2017

TOTAL PETROLEUM GHANA LIMITED (TOTAL) -
2016 ANNUAL REPORT AND
ANNUAL GENERAL MEETING ANNOUNCEMENT

TOTAL has released its Annual Report and Financial Statements for the year ended December 31, 2016, as per the attached.

The company also announces that its Annual General Meeting will be held at the **National Theatre, Liberia Road, Accra** on **Wednesday, May 10, 2017** at **11 am.**

Issued in Accra, this 13th
day of April, 2017

- **E N D –**

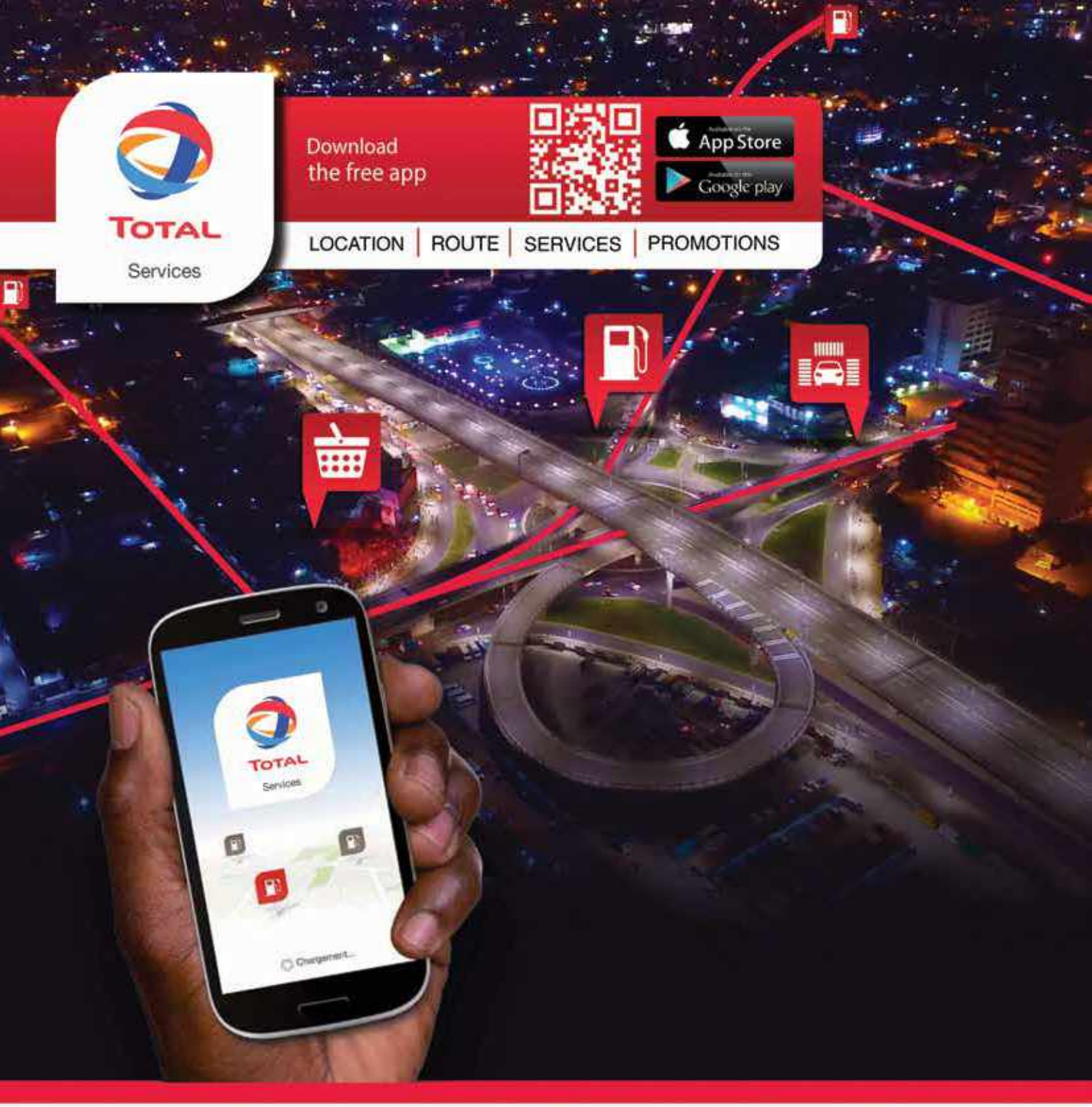
att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, TOTAL
4. MBG Registrars, (Registrars for TOTAL shares)
5. Central Securities Depository
5. SEC
6. GSE Council Members
7. GSE Notice Board

For enquiries, contact:
General Manager/Head of Listings, GSE on 0302 669908, 669914, 669935
**hbm*

TOTAL PETROLEUM GHANA LIMITED

ANNUAL REPORT 2016



LOCATE YOUR NEAREST TOTAL STATION WITH OUR TOTAL SERVICES APP.

Download for free.

www.total-ghana.com
0302-611555 | 611556
TOLL FREE: 080010040

Totalgh Total Ghana Total Ghana

Energizing Life. Every day

TOTAL
COMMITTED TO BETTER ENERGY

Our Vision

Our vision includes:

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

Our Mission

The purpose of Total Petroleum Ghana Limited is to market quality petroleum products and services to its customers responsibly and profitably in an innovative way to ensure that the public will continue to turn to TOTAL.

About Us

Total Petroleum Ghana Limited is part of the global Total group, which is the fourth largest international Oil and Gas Company in the world with presence in over 130 countries.

Total's operations in Ghana started in the 1960s under the name Total Oil Products. Since then Total has undergone various transformations, taking over British Petroleum (BP), then Elf Oil and TotalfinaElf following a global merger of Total and Elf and finally resulting in the incorporation of Total Petroleum Ghana limited when Total Outre-Mer acquired Mobil in Ghana.

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

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

Visit Mugg and Bean at Total Service Station on the Liberation Road, 37 Bus Stop

Call us on: 0303-975 438

muggandbeangh muggandbeangh muggandbeangh

Energizing Life. Every day

TOTAL
COMMITTED TO BETTER ENERGY

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ada Eze	-	Chairman
Olivier Van-Parys	-	Managing Director
Rexford Adomako-Bonsu	-	Member
Kofi Ampim	-	Member
Gerard Pruneau	-	Member
Sandrine Saboureau	-	Member
Stanislas Mittelman	-	(Appointed: 11th May, 2016)
Momar Nguer	-	(Resigned: 11th May, 2016)
Edward Patrick Larbi Gyampoh	-	(Resigned: 7th September, 2016)
Martin Amenyedzi	-	(Resigned: 6th February, 2017)

Secretary

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

Registered Office

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

Solicitors

Peasah Boadu & Co.
3rd Floor, Gulf House
P. O. Box CT3523
Cantonments - Accra

Registrars

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

Auditors

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

Bankers

Agricultural Development Bank Limited
Barclays Bank of Ghana Limited
Ecobank Ghana Limited
Ghana Commercial Bank Limited
National Investment Bank Limited
Societe Generale Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Limited
Universal Merchant Bank Limited

BOARD OF DIRECTORS

ADA EZE - Chairman

REXFORD ADOMAKO-BONSU - Member

OLIVIER VAN-PARYS - Managing Director

EDWARD PATRICK LARBI GYAMPOH - Member

GERARD PRUNEAU - Member

KOFI AMPIM - Member

SANDRINE SABOUREAU - Member

MARTIN AMENYEDZI - Member

STANISLAS MITTELMAN - Member

MANAGEMENT TEAM

OLIVIER VAN-PARYS - Managing Director

MERCY SAMSON - Legal & External Affairs Manager

SUNIL GANDHI - Operations Manager

BRIGHT DOKOSI - Human Resource Manager

ABDUL-RAHIM SIDDIQUE - Sales & Marketing Manager

FRANK BOAMAH - Health, Safety, Environment & Quality Manager

HENRY KAMARA - Finance & Accounts Manager

CHAIRMAN'S STATEMENT

ADA EZE - Chairman

Introduction

Ladies and Gentlemen, I am very pleased to welcome all of you our Shareholders to the forty first (41st) Annual General Meeting of Total Petroleum Ghana Limited. We hereby present to you the Annual Report and the Financial Statements of your Company for the financial year ended 31st December 2016.

Financial and Operational Performance

The consolidated profit after tax for 2016 amounted to GHS 23,402 million compared to GHS 46,718 in 2015. The decrease is largely attributable to a net loss of GHS 15,277 million made by the subsidiary Company, Ghanstock Ltd, which is attributed to mainly finance costs and unrealized foreign exchange losses. The results of the subsidiary Company, which had 2016 as its first full year of operation, are expected to improve as a result of increased storage throughput and a restructuring of the long term loan finalized towards the end of 2016.

The Company profit after tax amounted to GHS 38,277 compared to GHS 45,212 in 2015. The 15% decrease is as a result of lower sales volumes, partly due to a reduction in the market, and higher fixed operating costs due mainly to inflation and depreciation of the Cedi. We consider the result to be solid given the challenging economic environment and the outlook for 2017 remains positive

The Company launched in 2016, Total Excellium our new generation of high-tech fuels and the Total B2C Card for individual customers. In terms of diversification, we have commenced the implementation of the 'Happy Sud' concept in all our Bonjour Shops and we introduced KFC, Pizza Hut and Mugg and Bean on our network.

The Company further improved upon its Health, Safety, Environment and Quality standards in 2016 by moving its ISO certification to ISO 9001-2015 two years before the deadline.

The Company was awarded 4th position at the prestigious Ghana Club 100 and was adjudged the best Oil Marketing Company of the year at the Ghana Oil and Gas Awards.

The Group basic earnings per share decreased from GHS 0.4184 in 2015 to GHS 0.2706 in 2016.

Dividend

In November 2016, the Board approved the payment of an interim dividend of GHS 0.0902 per share which was paid to Shareholders in December, 2016.

At this meeting, the Board will be recommending a final dividend of GHS 0.1148 per share before tax in respect of the year ended 31st December 2016, which will culminate in a total dividend of GHS 0.2050 per share to be paid to Shareholders in respect of the same year.

Board Matters

Mr. Momar Nguer resigned on the 11th May, 2016 to take up a new assignment within the Group and on 11th May, 2016 your Board appointed Mr. Stanislas Mittelman, (previous Director and Board Chairman of the Company from 2008 to 2012) to fill the vacancy created.

Messrs. Edward P. L. Gyampoh and Martin Amenyedzi resigned on 7th September, 2016 and 6th February, 2017 respectively. On behalf of the Board and the Shareholders, we express our profound gratitude to Mr. Momar Nguer, Mr. Edward P. L. Gyampoh and Mr. Martin Amenyedzi for their dedication and invaluable contributions to the growth of your Company and wish them well in their future endeavours.

At this Annual General Meeting, the Board recommends to Shareholders the ratification of the appointment of Mr. Stanislas Mittelman to the Board.

The Board also recommends to you for re-election Messrs. Gerard Pruneau and Kofi Ampim, who are due to retire by rotation at this meeting and who have expressed their willingness to continue in office.

CHAIRMAN'S STATEMENT (Continued)

Corporate Social Responsibility

As part of our contribution towards the improvement of society, during the year, Total rewarded the winners of the Total Startupper Challenge Project and provided both financial and mentoring support to three (3) young Ghanaian Entrepreneurs.

Our Awango Solar Lamps by Total continue to respond to the two (2) important challenges facing the World over: access to Energy for all and the development of clean and renewable Energy.

Our Safety Caravan and Safety Cube Programs provided platforms for Communities to interact with Road Safety Experts who assisted in creating safety awareness through demonstrations and sharing of real life experiences. Our Safety Cube Program was undertaken this year in Takoradi and in Kumasi and reached about 12,000 school pupils.

Outlook

With the revamping of our service stations and the launch of Excellium, we continue to focus our efforts to offer the best quality in products and services at the most competitive prices to ensure Customer satisfaction. We are convinced that in this challenging market, delivering the right quantity and providing higher quality Fuel, Lubricants & Services are key to ensuring a competitive & sustainable position in the market. We will always strive to achieve excellence and professionalism in our operations.

We will continue to introduce dynamic concepts for our diversification business in our boutiques and restaurants as this will enable products and services to be more accessible to our Customers nationwide.

We continue to implement programs like our Young Dealer scheme in our Network, to participate in the growth of the Ghanaian economy through the support and the development of local talents. We will also continue to engage local Companies in the manufacture of our Lubricants, Station Tanks and our new T'Air Canopies and will seek to the improve of safety standards at our Transporter sites, all of whom we consider as our business partners.

Appreciation

On behalf of the Board of Directors, we thank our Management and Staff of the Company for their contribution towards the results of 2016 which was achieved under challenging conditions. To you, our Shareholders, allow me to appreciate the confidence you have shown by choosing to invest in Total Petroleum Ghana Limited and we look forward to future strengthening our relationship for the growth of your business. Finally, as Chairman, I thank you all for your presence at this meeting today and I wish you well in 2017.

Ada EZE
Chairman

PROFILE OF NEW DIRECTOR TO BE ELECTED

Mr. Stanislas Mittelman's Profile

Mr. Stanislas Mittelman is a French National and holds a Masters Degree from the EDHEC Business School. He joined the Total Group in 1987. For the past 30 years he has held several key positions in the Total Group both in France and abroad.

His recent working experience includes the following key positions:

- Managing Director, Total Zimbabwe – 2001 to 2004
- Director of Specialties, Total UK – 2004 to 2007
- Executive Vice President for West Africa, Total Africa and Middle East, 2008 to 2012
- Corporate Planning, Total Marketing and Services (Strategy Division), France - 2012 to 2014
- Senior Vice-President, Africa Division, Total Marketing and Services.

NOTICE OF MEETING

NOTICE is hereby given that the 41st Annual General Meeting of the Shareholders of Total Petroleum Ghana Limited will be held at the National Theatre, Liberia Road, Accra on **Wednesday 10th May, 2017 at 11 o'clock in the forenoon.**

AGENDA

ORDINARY RESOLUTION

1. To receive and consider the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December, 2016.
2. To declare Final Dividend in respect of the year ended 31st December, 2016.
3. To ratify the appointment of a Director.
4. To re-elect Directors retiring by rotation.
5. To fix the remuneration of the Directors.
6. To authorise the Directors to fix the remuneration of the Auditors.

Dated this 28th day of March, 2017

By Order of the Board

MERCY SAMSON (MRS.)

SECRETARY

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 at the Registered Office, P. O. Box 553, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before **48 hour deadline** will result in the Proxy not being admitted to, or participating in, the meeting. A Form of Proxy is provided in the Annual Report.

REPORT OF THE DIRECTORS

To the Members of Total Petroleum Ghana Limited

Directors' responsibility statement

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of Total Petroleum Ghana Limited, comprising the statements of financial position at 31 December 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year 2016 then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179). In addition, the Directors are responsible for the preparation of the Directors' report.

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

The Directors have made an assessment of the ability of the Company and its subsidiaries ("the Group") to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

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

Five year financial highlights

	2016	2016	2015	2015	2014	2014	2013	2013	2012
	Group	Company	Group	Company	Group	Company	Group	Company	Company
Turnover (GH' 000)	1,661,615	1,652,250	1,793,752	1,793,752	1,657,841	1,657,841	1,338,155	1,338,155	1,329,363
Profit before interest and exchange Difference (GH'000)	63,568	67,729	72,420	73,956	48,438	48,755	52,878	53,001	36,983
Net Finance cost	(23,656)	(12,942)	(10,021)	(10,021)	5,849	5,849	1,557	1,557	1,514
(Gain)/loss on Exchange	(2,629)	(2,629)	(2,040)	(4,345)	(1,837)	1,105	6,859	7,821	2,356
Profit before Taxation	37,283	52,158	60,359	59,590	44,436	41,801	47,576	46,737	40,853
Taxation	(13,881)	(13,881)	(13,641)	(14,378)	(11,577)	(10,841)	(11,031)	(11,031)	(10,327)
Profit after Taxation	23,402	38,277	46,718	45,212	32,859	30,960	36,545	35,706	30,526
Earning per share	0.2706	0.3421	0.4184	0.4041	0.2861	0.2767	0.3233	0.3192	2.1829
Dividend per share	0.2050	0.2050	0.2053	0.2053	0.1755	0.1755	0.1755	0.1755	1.2500
Shareholders Equity	148,742	154,239	148,308	138,930	122,689	114,817	109,475	103,502	86,071
Number of issued shares	111,874,072	111,874,072	111,874,072	111,874,072	111,874,072	111,874,072	111,874,072	111,874,072	13,984,259
Fixed assets net book value	260,113	189,892	202,007	131,653	136,778	110,418	91,742	91,260	73,718
Net assets per share	1.3295	1.3786	1.3257	1.2418	1.0967	1.0263	0.9786	0.9252	6.1548

REPORT OF THE DIRECTORS (Continued)

To the Members of Total Petroleum Ghana Limited

Financial statements and dividend

The financial results for the year ended 31 December 2016 are reflected in the accompanying financial statements, highlights of which are as below;

	Group		Company	
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Profit for the year attributable to equity holders was	-	30,277	-	38,277
which when added to the balance brought forward on the retained earnings account of	-	90,807	-	87,708
gives a total of	-	121,084	-	125,985
out of which is deducted the following dividends declared and paid: final dividend for 2015	12,877	-	12,877	-
interim dividend for 2016	10,091	-	10,091	-
	-	22,968	-	22,968
leaving a balance to be carried forward on the retained earnings account of	-	98,116	-	103,017

The Directors recommend the payment of a final dividend of GH¢ 0.1148 per share, amounting to GH¢ 12,843,143 for the 2016 financial year. This brings the total dividend for the financial year to 0.2050 per share, amounting to GH¢ 22,934,185 (2015; GH¢ 0.2053 per share, amounting to GH¢ 22,967,747).

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

Going concern consideration

The Group's current liabilities exceeded current assets by GH¢94,898,000 (2015: GH¢ 37,617,000) at year ended 31 December 2016. The Group continues to report profits year-on-year. The net current liability position of the Company at the year end is as a result of increased investments which are expected to generate future revenues for the Company. Directors have made an assessment of the cash flow projections of the Company for the next twelve (12) months which shows a positive business outlook. In addition, the Directors have negotiated and successfully renewed the overdraft facilities with its bankers. The Directors believe that the Company will be able to realise its assets and settle its liabilities in the ordinary course of business.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

Principal activities

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

Objectives of the Company

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

Holding Company

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

Subsidiary Company

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

Associate Companies

Ghana Bunkering Services Limited

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

REPORT OF THE DIRECTORS (Continued)

To the Members of Total Petroleum Ghana Limited

Associate Companies (continued)

Road Safety Limited

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

Related party transactions

Related party transactions, including Directors' interests in the shares of the Company and Directors' remuneration, are disclosed in Note 25 to this Financial Statements.

Audit Committee

The Board Audit Committee comprises of at least three Directors and is headed by an independent, non-executive Director. In selecting the members of the Committee, the Board pays particular attention to their financial and accounting qualifications and experience. The principal responsibilities of this committee include reviewing financial reports, internal audit reports, management letters and other information it orders to be tabled. The committee holds at least three formal meetings each year, which are also attended by the external auditors when discussing accounts of the Company. It may also meet with the Managing Director, perform inspections and interview managers of the Company at any time deemed appropriate or necessary.

Board of Directors

Profile

Executive	Qualification	Outside board and management position
Madam Ada Eze	Bsc., Msc.	Executive Vice President of Total in West Africa.
Mr. Olivier Van Parys	Bsc., Msc., MBA	Ghanstock Limited, Tema Lube Oil Co. Ltd., Road Safety Ltd., Ghana Bunkering Services Ltd.
Mr. Gerard Pruneau	Bsc., Msc	Vice-President, Corporate Affairs (African Middle East).
Madam Sandrine Saboureau	Bsc., MBA.	Governance and Financial Control, Total Marketing and Services
Mr. Stanislas Mittelman	Masters Degree	Senior Vice-President, Africa Division, Total Marketing and Services
Non-Executive	**Qualification**	**Outside board and management position**
Mr. Kofi Ampim	BBA., Masters Degree	Chairman at Societe General Bank Limited, Belstar Capital Ltd., and Allianz Insurance Co. Ghana Ltd.
Mr. Rexford Adomako-Bonsu	Bsc., M.A., MBA	Executive Director, Worldwide Investment Limited.

Biographical information of Directors

Age category	Number of directors
Up to 40 years	-
41 – 60 years	5
Above 60 years	2

REPORT OF THE DIRECTORS (Continued)

To the Members of Total Petroleum Ghana Limited

Board of Directors (continued)

Role of the Board

The Directors are collectively responsible to the shareholders for the long-term success of the Group and for its overall strategic direction, its values and its governance. They provide the leadership necessary for the Group to meet its business objectives within the framework of its internal controls, whilst also discharging the Group's obligations to its shareholders.

Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a Management Committee, which as at the date of this report includes the executive Directors and 6 Senior Managers.

Internal control systems

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

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

Directors' performance evaluation

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

Professional development and training

A comprehensive induction programme is in place for all new Directors which takes into account their previous experience, background and role on the Board and is designed to further their knowledge and understanding of the Group and their associated role and responsibilities. All new Directors are provided with key Board, operational and financial information; attend meetings with other members of the Board and Senior Management; receive briefings and, where possible, meet the Company major shareholders. Where a new Director is to serve on a Board committee, induction material relevant to the committee is also provided. The Company Secretary assists the Chairman in the co-ordination of induction and on-going training. New Directors receive a schedule of all meetings held together with minutes.

Conflicts of interest

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

Board balance and independence

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

Corporate Social Responsibilities and Code of Ethics

Corporate Social Responsibilities activities can be found on page 62.

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

REPORT OF THE DIRECTORS (Continued)

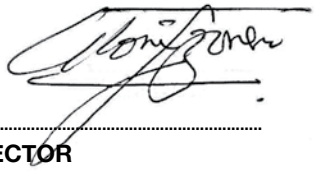
To the Members of Total Petroleum Ghana Limited

Approval of the consolidated and separate financial statements

The consolidated and separate financial statements of Total Petroleum Ghana Limited, as identified in the first paragraph, were approved by the Board of Directors on 28 March 2017 and signed on their behalf by;

.....

DIRECTOR



.....

DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To the Members of Total Petroleum Ghana Limited

Report on the Audit of the Consolidated and Separate Financial Statements

We have audited the consolidated and separate financial statements of Total Petroleum Ghana Limited ("the Group"), which comprise the statements of financial position at 31 December 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 17 to 56.

In our opinion, these financial statements give a true and fair view of the consolidated and separate financial position of Total Petroleum Ghana Limited at 31 December 2016, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

Basis for Opinion

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

Key Audit Matters

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

Trade and other receivables GH¢166 million Refer to Note 17 to the consolidated and separate financial statements	
The key audit matter	*How the matter was addressed in our audit*
The Group has significant trade receivables with customers in the energy and natural resources industry and other dealer-owned-dealer- operated customers. The recoverability of outstanding amounts from some customers may be in doubt.	Our principal audit procedures included the following: • Tested the design and operating effectiveness of the key controls over financial reporting related to the receivables collection processes • Tested receipt of cash after the year end by reviewing the bank statements and customer accounts • Tested the adequacy of the Group's provisions against trade receivables by assessing the management's assumptions, taking account of externally available data on trade credit exposures and our own knowledge of recent bad debt experience in this industry • Reviewed the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the provision • We assessed the reasonableness of impairment allowance on doubtful debt including a review of consistency of model used and accuracy of inputs. • We also assessed the adequacy of the Group's disclosures of its receivables policy and other related disclosures

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Total Petroleum Ghana Limited

Revenue GH¢1,662 million Refer to Note 6 to the consolidated and separate financial statements	
The key audit matter	*How the matter was addressed in our audit*
The Group has multiple streams of revenue from sale of petroleum products. These products are sold to customers based on negotiated prices. Thus, same products are sold to different customers at different prices. Revenue is recognised for each transaction based on the negotiated price which may not be appropriately applied.	Our principal audit procedures included the following: • Tested the Group's controls over revenue recognition and key manual and systems-based controls in recording sales, including reconciliations between financial information in accounting system and the general ledger • Evaluated revenue at significant component, which included analysis of interest and other income month on month, corroborating movements compared with expectations and inspection of contracts with customers • Searched for fictitious customers by assessing the reliability and integrity of customer master data • We also assessed the adequacy of the Group's disclosures of its revenue recognition policy and other related disclosures • Assessed whether sales transactions either side of the balance sheet date as well as credit notes issued after year end are recognised in the correct period • Searched for fictitious sales by using KPMG Automated Audit Procedures to match sales invoices to related orders and dispatch notes at the transaction level and investigated unmatched transactions • Assessed whether appropriate revenue recognition policies are applied through comparison with accounting standards

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report which include the Chairman's Statement and the Directors' Report as required by the Companies Act, 1963 (Act 179) but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Total Petroleum Ghana Limited

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)

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

In our opinion, proper books of account have been kept, and the consolidated and separate statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **Anthony K. Sarpong (ICAG/P/1369).**

KPMG

.....

For and on behalf of: KPMG: (ICAG/F/2017/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P. O. BOX GP 242
ACCRA
28 March 2017

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	Note	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Assets					
Property, plant and equipment	12	**260,113**	202,007	**189,892**	131,653
Intangible assets and goodwill	13	**13,364**	13,423	**13,254**	13,423
Investment in associates	(15.a)	**2,115**	1,711	**12**	12
Leasehold prepayment	14	**212**	259	**212**	259
Deferred tax asset	11	**82**	1,670	**82**	1,670
Long term leases	26	**28,648**	25,098	**28,648**	25,098
Investment in subsidiary	(15.b)	**-**	-	**6,274**	6,274
Total non-current assets		**304,534**	244,168	**238,374**	178,389
Inventories	16	**69,588**	84,683	**69,236**	84,683
Current tax asset	10(ii)	**9,462**	6,006	**9,462**	6,006
Trade and other receivables	17	**165,549**	158,911	**162,868**	158,555
Amounts due from related companies	25	**2,356**	14	**7,853**	1,634
Cash and cash equivalents	18	**12,436**	6,922	**11,739**	5,387
Total current assets		**259,391**	256,536	**261,158**	256,265
Total assets		**563,925**	500,704	**499,532**	434,654
Equity					
Stated capital	19	**51,222**	51,222	**51,222**	51,222
Retained earnings		**98,116**	90,807	**103,017**	87,708
Non-controlling interest		**(596)**	6,279	**-**	-
Total equity		**148,742**	148,308	**154,239**	138,930
Liabilities					
Bank overdraft	18	**44,880**	57,238	**44,880**	57,238
Loans and borrowings	22	**3,558**	4,246	**-**	-
Trade and other payables	21	**265,508**	202,607	**259,297**	202,325
Amount due to related companies	25	**40,343**	30,062	**36,863**	29,353
Total current liabilities		**354,289**	294,153	**341,040**	288,916
Loans and borrowings	22	**56,641**	51,435	**-**	-
Provisions	23	**4,253**	6,808	**4,253**	6,808
Total non-current liabilities		**60,894**	58,243	**4,253**	6,808
Total liabilities		**415,183**	352,396	**345,293**	295,724
Total liabilities and equity		**563,925**	500,704	**499,532**	434,654

These financial statements were approved by the Board of Directors on 28 March 2017 and signed on their behalf by:

DIRECTOR **DIRECTOR**

The notes on page 21 to 56 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Revenue	6	**1,661,615**	1,793,752	**1,652,250**	1,793,752
Cost of sales	8	**(1,499,083)**	(1,635,731)	**(1,491,717)**	(1,635,731)
Gross profit		**162,532**	158,021	**160,533**	158,021
Other income	7	**12,111**	14,057	**12,111**	13,451
General, administrative and selling expense	8	**(114,108)**	(103,397)	**(107,544)**	(101,861)
Operating profit before financing costs/ income		**60,535**	68,681	**65,100**	69,611
Finance income	32	**114**	386	**114**	386
Finance costs	32	**(23,770)**	(10,407)	**(13,056)**	(10,407)
Share of profit from associate, net of tax		**404**	1,699	**-**	-
Profit before taxation	8	**37,283**	60,359	**52,158**	59,590
Income tax expense	10(i)	**(13,881)**	(13,641)	**(13,881)**	(14,378)
Profit for the year		**23,402**	46,718	**38,277**	45,212
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income		**23,402**	46,718	**38,277**	45,212
Profit/total comprehensive income attributed to:					
Owners of the Company		**30,277**	46,805	**-**	-
Non-controlling interest		**(6,875)**	(87)	**-**	-
Basic earnings per share (Ghana cedi per share)	20	**0.2706**	0.4184	**0.3421**	0.4041
Diluted earnings per share (Ghana cedi per share)	20	**0.2706**	0.4184	0.3421	0.4041

The notes on page 21 to 56 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

Group	Stated Capital GH¢'000	Retained Earnings GH¢'000	Non Controlling Interest GH¢'000	Total Equity GH¢'000
Balance at 1 January 2016	51,222	90,807	6,279	148,308
Total comprehensive income for the year	-	-	-	-
Profit for the year	-	30,277	(6,875)	23,402
Total comprehensive income for the year	-	30,277	(6,875)	23,402
Transaction with equity holders				
Dividend paid	-	(22,968)	-	(22,968)
Total transactions with equity holders	-	(22,968)	-	(22,968)
Balance at 31 December 2016	**51,222**	**98,116**	**(596)**	**148,742**
Balance at 1 January 2015	51,222	65,101	6,366	122,689
Total comprehensive income for the year				
Profit for the year	-	46,805	(87)	46,718
Total comprehensive income for the year		46,805	(87)	46,718
Transaction with equity holders				
Dividend paid	-	(21,099)	-	(21,099)
Total transactions with equity holders	-	(21,099)	-	(21,099)
Balance at 31 December 2015	51,222	90,807	6,279	148,308

Company	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2016	51,222	87,708	138,930
Total comprehensive income for the year			
Profit for the year	-	38,277	38,277
Total comprehensive income for the year	-	38,277	38,277
Transaction with equity holders			
Dividend paid	-	(22,968)	(22,968)
Total transactions with equity holders	-	(22,968)	(22,968)
Balance at 31 December 2016	**51,222**	**103,017**	**154,239**
Balance at 1 January 2015	51,222	63,595	114,817
Total comprehensive income for the year			
Profit for the year	-	45,212	45,212
Total comprehensive income for the year	-	45,212	45,212
Transaction with equity holders			
Dividend paid	-	(21,099)	(21,099)
Total transactions with equity holders	-	(21,099)	(21,099)
Balance at 31 December 2015	51,222	87,708	138,930

The notes on page 21 to 56 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Cash flows from operating activities				
Profit after taxation	23,402	46,718	38,277	45,212
Adjustments for:				
Foreign exchange loss/(gains)	3,035	(941)	3,035	(941)
Depreciation charges	21,419	12,753	15,358	12,744
Amortisation of leasehold prepayment	47	53	47	53
Amortisation of intangible assets	197	163	169	163
Amortisation of long term lease	2,175	1,644	2,175	1,644
Interest income	(114)	(386)	(114)	(386)
Provision	(2,555)	788	(2,555)	788
Interest expense	23,770	10,407	13,056	10,407
Tax expense	13,881	13,641	13,881	14,378
Profit on disposal of plant and equipment	(1,467)	(201)	(1,467)	(201)
Share of profit from associate	(404)	(1,699)	-	-
	83,386	82,940	**81,862**	83,861
Change in inventories	15,095	(15,760)	15,447	(15,760)
Change in trade and other receivables	(4,424)	4,348	(2,099)	4,630
Change in trade and other payables	59,268	593	53,339	1,410
Change in related party balances	5,455	9,927	(1,193)	7,598
Cash generated from operations	158,780	82,048	147,356	81,739
Interest received	114	386	114	386
Interest paid	(23,770)	(10,407)	(13,056)	(10,407)
Income taxes paid	(15,749)	(17,270)	(15,749)	(17,270)
Net cash flow from operating activities	**119,375**	54,757	**118,665**	54,448
Cash flows from investing activities				
Purchase of property, plant and equipment	(84,286)	(83,759)	(78,358)	(39,756)
Purchase of software	(138)	(72)	-	(72)
Proceeds from sale of plant and equipment	6,228	5,666	6,228	5,666
Principal payment for leases contracted	(5,725)	(15,978)	(5,725)	(15,978)
Net cash flow used in investing activities	**(83,921)**	(94,143)	**(77,855)**	(50,140)
Cash flows used in financing activities				
Dividend paid	(22,968)	(21,099)	(22,968)	(21,099)
Proceeds from new loans	4,518	41,905	-	-
Net cash flow used in financing activities	**(18,450)**	20,806	**(22,968)**	(21,099)
Net increase/(decrease) in cash and cash equivalents	**17,004**	(18,580)	**17,842**	(16,791)
Analysis of changes in cash and cash equivalents during the year				
Balance at 1 January **(Note 18)**	(50,316)	(33,110)	(51,851)	(36,434)
Net increase/(decrease) in cash and cash equivalents	17,004	(18,580)	17,842	(16,791)
Effect of foreign exchange fluctuation on cash held	868	1,374	868	1,374
Balance at 31 December	**(32,444)**	(50,316)	**(33,141)**	(51,851)
Analysis of balances of cash and cash equivalents as shown in the balance sheet				
Cash and bank balances **(Note 18)**	(32,444)	(50,316)	(33,141)	(51,851)

The notes on page 21 to 56 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. Reporting entity

Total Petroleum Ghana Limited ("the Company") is a Company registered and domiciled in Ghana. The address of the Company's registered office is Total House, 25 Liberia Road, Accra. The Company is authorised to carry on the business of marketing petroleum and allied products. The financial statements of the Company as at and for the year ended 31 December 2016 comprise the separate financial statements and the consolidated financial statements of the Company and its subsidiary, (together referred to as the 'Group' and individually as 'Group entities').

2. Basis of accounting

a. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179).

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by part of the statement of profit or loss and other comprehensive income in these financial statements.

b. Basis of measurement

These financial statements have been prepared under the historical cost convention except for financial instruments that are measured at fair value.

c. Functional and presentational currency

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

d. Use of estimates and judgement

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

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

Judgements

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

- Notes 26 – lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in subsequent periods is included in the following notes:

- Note 4 – determination of fair values
- Note 11 – recognition of deferred tax assets
- Note 23 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Basis of consolidation

(i) Business combinations

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (Continued)

a. Basis of consolidation (continued)

(i) Business combinations (continued)

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

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

(ii) Non-controlling interests

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

(iii) Subsidiaries

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

(iv) Loss of control

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

(v) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the

Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

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

(vi) Transactions eliminated on consolidation

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

b. Financial instruments

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

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

b. Financial instruments (continued)

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition (continued)

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or when the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented when and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Loans and receivables comprise cash and cash equivalents, trade receivables, amounts due from related companies and other receivables. Cash and cash equivalents comprise cash on hand, bank balances and highly liquid shortterm investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

Loans and receivables are initially recognised at fair value plus any directly attributable transaction costs, subsequently measured at amortised cost using the effective interest method less any impairment losses.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities include interest-bearing loans and borrowings, amounts due to related companies and trade and other payables. Non-derivative financial liabilities are recognised at fair value less directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

c. Impairment of financial assets

(i) Non-derivative financial assets

Financial assets not classified at fair value through profit or loss, including an interest in equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired include:

- default or delinquency by a debtor
- restructuring of an amount due to the Group on terms that the Group would not otherwise consider
- indications that a debtor or issuer will enter bankruptcy
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security or
- observable data indicating a measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised costs

The Group considers evidence of impairment for assets at both individual and collective levels. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amounts of loss incurred and makes an adjustment if current economic and credit conditions are such that actual losses are likely to be greater or lesser than suggested by historical trends.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

c. Impairment of financial assets (continued)

Financial assets measured at amortised costs (continued)

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

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

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash flows of other assets or cash generating units (CGUs). Goodwill arising on business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

d. Leases

(i) Leased assets

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

Other leases are classified as operating leases.

(ii) Lease payments

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

d. Leases (continued)

(ii) Lease payments (continued)

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

e. Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

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

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

(iv) Capital work in progress

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

(v) Derecognition

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

f. Intangible assets

(i) Recognition and measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

f. Intangible assets (continued)

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful life of software is four years.

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

(iv) Derecognition

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

g. Inventories

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

h. Foreign currency

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

i. Employee benefits

Short term benefits

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

Defined contribution plans

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

The Group has the following defined contribution schemes:

Social Security and National Insurance Trust

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

i. Employee benefits (continued)

Provident fund (Defipro)

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

j. Provisions

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

k. Revenue

Sale of goods

Revenue from the sale of goods is recognised at fair value of consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, associated costs and the possible return of goods can be estimated reliably, there is no continuing management involvement in the goods and the amount of revenue can be measured reliably.

Revenue is recognised when customers lift petroleum products from designated depots and/or when products are delivered.

l. Finance income and costs

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

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

m. Income tax

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

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

(i) Current tax

Current tax is the expected tax payable or receivable on taxable income or losses for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

m. Income tax (continued)

(ii) Deferred tax (continued)

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

n. Dividend

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

o. Segment reporting

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

p. Earnings per share

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

q. Stated capital

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

r. New standards and interpretations issued not yet effective

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective; These include the following Standards and Interpretations that are applicable to the business of the entity and may have an impact on future financial statements: The Group does not plan to adopt these standards early.

- *IFRS 15 Revenue from contracts with customers*

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have an impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Group is currently in the process of performing a detailed assessment of the impact of this standard on the Group.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

- *IFRS 9 Financial Instruments*

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

r. New standards and interpretations issued not yet effective (continued)

- *IFRS 9 Financial Instruments*

  This standard will have a significant impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised by the Group.

  The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

- *IFRS 16 Leases*

  IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

  The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The Group is yet to assess the potential impact on the financial statements resulting from the application of IFRS 16.

- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)*

  The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

  The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

  Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

  Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

  The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

- *Disclosure Initiative (Amendments to IAS 7)*

  The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

  The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Significant accounting policies (continued)

s. Borrowing costs

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

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

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

4. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods described below. Where applicable, further information about the assumptions made in determining fair values is disclosed in notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the current market rate of instruments with similar credit risk profile and maturity at the reporting date. Receivables due within a 6month period are not discounted as the carrying values approximate their fair values.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity periods of up to 6 months are not discounted as their carrying values approximate their fair values.

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

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

5. Segment reporting

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

The following describes the operations of each reportable segment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

The Group does not have a geographical segment.

Company 2016	Network GH¢'000	Commercial GH¢'000	Others GH¢'000	Group 2016 Total GH¢'000	Company 2016 Total GH¢'000	
Revenue	1,089,234	440,037	132,344	1,661,615	1,652,250	**
Cost of sales	(983,404)	(397,283)	(118,396)	(1,499,083)	(1,491,717)	**
Gross profit				162,532	160,533	
Other income				12,111	12,111	
Results before general and administrative expenses				174,643	172,644	
Unallocated expenses				(114,108)	(107,544)	
Results from operating activities				60,535	65,100	
Net finance costs				(23,656)	(12,942)	
Share of profit from associate				404	-	
Profit before tax				37,283	52,158	
Income tax				(13,881)	(13,881)	
Profit for the year				23,402	38,277	
Total Assets				563,925	499,532	
Total Liabilities				415,183	345,293	
Other segment items						
Depreciation and Amortisation				23,838	17,749	

**Company 2016	Network GH¢'000	Commercial GH¢'000	Others GH¢'000	Total GH¢'000
Revenue	1,089,234	440,037	122,979	1,652,250
Cost of sales	(983,404)	(397,283)	(111,030)	(1,491,717)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

5. Segment reporting (continued)

Company 2015	Network GH¢'000	Commercial GH¢'000	Others GH¢'000	Group 2015 Total GH¢'000	Company 2015 Total GH¢'000
Revenue	1,119,451	520,759	153,542	1,793,752	1,793,752
Cost of sales	(1,026,675)	(463,209)	(145,847)	(1,635,731)	(1,635,731)
Gross profit	92,776	57,550	7,695	158,021	158,021
Other income				14,057	13,451
Results before general and administrative expenses				172,078	171,472
Unallocated expenses				(103,397)	(101,861)
Results from operating activities				68,681	69,611
Net finance costs				(10,021)	(10,021)
Share of profit from associate				1,699	-
Profit before tax				60,359	59,590
Income tax				(13,641)	(14,378)
Profit for the year				46,718	45,212
Total Assets				500,704	434,654
Total Liabilities				352,396	347,847
Other segment items					
Depreciation and Amortisation				14,613	14,604

No individual customer contributed 10% or more to revenue.

6. Revenue

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Network	1,089,234	1,119,451	1,089,234	1,119,451
Commercial	440,037	520,759	440,037	520,759
Others	132,344	153,542	122,979	153,542
Gross sales value	1,661,615	1,793,752	1,652,250	1,793,752

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

7. Other income

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Rent income	4,581	3,209	4,581	3,209
Profit on disposal of plant and equipment	1,467	201	1,467	201
Foreign exchange gains	-	606	-	-
Sundry income	6,063	10,041	6,063	10,041
	12,111	14,057	12,111	13,451

8. Profit before taxation is stated after charging

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Cost of sales				
Inventory movement	743,886	1,093,700	743,886	1,093,700
Transportation	52,772	54,127	52,772	54,127
Import duties	640,202	425,196	640,202	425,196
Other costs	62,223	62,708	54,857	62,708
	1,499,083	1,635,731	1,491,717	1,635,731
General, administrative and selling expense				
Personnel costs (**note 9**)	29,484	27,234	28,704	26,821
Auditor's remuneration	182	168	136	148
Depreciation	15,473	12,753	15,358	12,744
Amortisation of software	244	216	216	216
Directors' emoluments	1,308	1,165	1,308	1,165
Donations	319	409	319	409
Technical assistance from Group	11,754	10,645	11,754	10,645
Maintenance cost	11,237	10,768	11,134	10,768
Rental cost	7,514	7,916	7,424	7,916
Other cost	36,593	32,123	31,191	31,009
	114,108	103,397	107,544	101,861

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

9. Personnel costs

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Wages and salaries	19,285	18,540	18,605	18,192
Social security contributions	1,183	1,158	1,163	1,047
Provident fund (Defipro)	901	809	901	809
Other staff expenses	8,115	6,727	8,035	6,773
	29,484	27,234	**28,704**	26,821

The average number of persons employed by the Company on a permanent basis during the year was 178 (2015: 185)

10. Taxation

(i) Income tax expense

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Current tax expense (note **10(ii)**)	12,293	16,318	12,293	16,319
Deferred tax expense (note **11**)	1,588	(2,677)	1,588	(1,941)
	13,881	13,641	**13,881**	14,378

Deferred tax expense relates to the origination and reversals of temporary differences.

Group and Company

(ii) Taxation payable/(receivable)

	Balance at 1/1/16 GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢'000	Balance at 31/12/2016 GH¢'000
Up to 2011	69	-	-	69
2014	(4,204)	-	-	(4,204)
2015	2,699	-	-	2,699
2016	-	(13,219)	12,293	(926)
Withholding tax	(4,541)	(2,530)	-	(7,071)
National reconstruction levy Up to 2006	(29)	-	-	(29)
	(6,006)	**15,749**	**12,293**	**(9,462)**

The tax liabilities are subject to agreement with the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

10. Taxation (continued)

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

(iii) Reconciliation of effective tax rate

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Profit before taxation	37,283	60,359	52,158	59,590
Income tax using the domestic tax rate (25%)	9,321	15,090	13,040	14,898
Non-deductible expenses	4,560	(1,449)	841	(520)
Total tax charge	13,881	13,641	13,881	14,378
Effective tax rate	37%	23%	27%	24%

11. Deferred Taxation

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Balance at 1 January	(1,670)	1,007	(1,670)	271
Credit/(charge) to profit or loss for the year	1,588	(2,677)	1,588	(1,941)
Balance at 31 December	(82)	(1,670)	(82)	(1,670)

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

Group

	2016			2015		
	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000
Property, plant and equipment	-	5,091	5,091	7,068	-	7,068
Other items	(5,173)	-	(5,173)	-	(5,398)	(5,398)
Net tax (assets)/liabilities	(5,173)	5,091	(82)	7,068	(5,398)	1,670

Company

	2016			2015		
	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000
Property, plant and equipment	-	5,091	5,091	7,068	-	7,068
Other items	(5,173)	-	(5,173)	-	(5,398)	(5,398)
Net tax (assets)/liabilities	(5,173)	5,091	(82)	7,068	(5,398)	1,670

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

12. Property, plant and equipment

Group 2016	Leasehold properties GH¢'000	Distribution Service station plants GH¢'000	Motor vehicles GH¢'000	Furniture & Equipment GH¢'000	Capital Work in Progress GH¢'000	Total GH¢'000
Cost						
At 1/1/2016	49,158	159,230	4,841	11,213	41,578	266,020
Additions	5,108	22,991	1,591	469	54,127	84,286
Transfers	13,643	18,899	1,292	692	(34,526)	-
Disposals	(983)	(3,869)	(306)	(589)	-	(5,747)
At 31/12/2016	**66,926**	**197,251**	**7,418**	**11,785**	**61,179**	**344,559**
Accumulated depreciation						
At 1/1/2016	15,026	40,895	1,504	6,588	-	64,013
Charge for the year	3,785	14,879	1,652	1,103	-	21,419
Released on disposals	(72)	(870)	(41)	(3)	-	(986)
At 31/12/2016	**18,739**	**54,904**	**3,115**	**7,688**	**-**	**84,446**
Carrying amount						
At 31/12/2016	**48,187**	**142,347**	**4,303**	**4,097**	**61,179**	**260,113**

Group 2015	Leasehold properties GH¢'000	Distribution Service station plants GH¢'000	Motor vehicles GH¢'000	Furniture & Equipment GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
Cost						
At 1/1/2015	44,057	73,351	4,070	8,622	63,076	193,176
Additions	211	48,930	1,427	304	32,887	83,759
Transfers	5,420	45,452	316	3,197	(54,385)	-
Disposals	(530)	(8,503)	(972)	(910)	-	(10,915)
At 31/12/2015	49,158	159,230	4,841	11,213	41,578	266,020
Accumulated depreciation						
At 1/1/2015	12,975	35,907	1,757	6,071	-	56,710
Charge for the year	2,530	8,187	609	1,427	-	12,753
Released on disposals	(479)	(3,199)	(862)	(910)	-	(5,450)
At 31/12/2015	15,026	40,895	1,504	6,588	-	64,013
Carrying amount						
At 31/12/2015	34,132	118,335	3,337	4,625	41,578	202,007

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

12. Property, plant and equipment (continued)

Company 2016	Leasehold properties GH¢'000	Distribution Service station plants GH¢'000	Motor vehicles GH¢'000	Furniture & Equipment GH¢'000	Capital work in progress	Total GH¢'000
Cost						
At 1/1/2016	49,158	89,247	4,619	11,055	41,578	195,657
Additions	5,108	17,397	1,591	409	53,853	78,358
Transfers	13,643	18,898	1,293	692	(34,526)	-
Disposals	(983)	(3,869)	(306)	(589)	-	(5,747)
At 31/12/2016	66,926	121,673	7,197	11,567	60,905	268,268
Accumulated depreciation						
At 1/1/2016	15,026	40,894	1,499	6,585	-	64,004
Charge for the year	3,058	9,661	1,596	1,043	-	15,358
Released on disposals	(72)	(870)	(41)	(3)	-	(986)
At 31/12/2016	18,012	49,685	3,054	7,625	-	78,376
Carrying amount						
At 31/12/2016	48,914	71,988	4,143	3,942	60,905	189,892

Company 2015	Leasehold properties GH¢'000	Distribution Service station plants GH¢'000	Motor vehicles GH¢'000	Furniture & Equipment GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
Cost						
At 1/1/2015	44,057	73,351	4,070	8,622	36,716	166,816
Additions	211	5,307	1,205	146	32,887	39,756
Transfers	5,420	19,092	316	3,197	(28,025)	-
Disposals	(530)	(8,503)	(972)	(910)	-	(10,915)
At 31/12/2015	49,158	89,247	4,619	11,055	41,578	195,657
Accumulated depreciation						
At 1/1/2015	12,975	35,907	1,757	6,071	-	56,710
Charge for the year	2,530	8,186	604	1,424	-	12,744
Released on disposals	(479)	(3,199)	(862)	(910)	-	(5,450)
At 31/12/2015	15,026	40,894	1,499	6,585	-	64,004
Carrying amount						
At 31/12/2015	34,132	48,353	3,120	4,470	41,578	131,653

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

12. Property, plant and equipment (continued)

Profit on disposal of plant and equipment

	Group and Company	
	2016	2015
	GH¢'000	GH¢'000
Cost	5,747	10,915
Accumulated depreciation	(986)	(5,450)
Net book value	4,761	5,465
Sale proceeds	(6,228)	(5,666)
Profit on disposal	(1,467)	(201)

(a) Assets under construction (capital work-in-progress)

The balance of GH¢41,578,000 (2015: GH¢36,716,000) relates to the construction of new service stations and major renovations to existing service stations.

(b) Security

Ghanstock Limited's Tank Farm, amounting to GH¢59,862,000 has been pledged as a security for the bank loan obtained during the year 2015.

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

13. Intangible assets

	Group		Company	
	2016	2015	2016	2015
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Software (Note 13(a))	1,281	1,340	1,171	1,340
Goodwill (Note 13(b))	12,083	12,083	12,083	12,083
	13,364	13,423	13,254	13,423

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

13. Intangible assets (continued)

(a) Software

Group

Cost	2016 GH¢'000	2015 GH¢'000
Balance at 1 January	2,838	2,766
Additions	138	72
Balance at 31 December	2,976	2,838
Amortisation		
Balance at 1 January	1,498	1,335
Amortisation for the year	197	163
Balance at 31 December	1,695	1,498
Carrying amount		
At 31 December	1,281	1,340

Company

Cost	2016 GH¢'000	2015 GH¢'000
Balance at 1 January	2,838	2,766
Additions	-	72
Balance at 31 December	2,838	2,838
Amortisation		
Balance at 1 January	1,498	1,335
Amortisation for the year	169	163
Balance at 31 December	1,667	1,498
Carrying amount		
At 31 December	1,171	1,340

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

13. Intangible assets (continued)

(b) Goodwill

	Group and Company	
	2016	2015
Cost	GH¢'000	GH¢'000
Balance at 1 January	15,092	15,092
Balance at 31 December	15,092	15,092
Impairment		
Balance at 1 January	3,009	3,009
Balance at 31 December	3,009	3,009
Carrying amount		
At 31 December	12,083	12,083

This relates to goodwill arising on the acquisition of the former Mobil Ghana Limited, now Total Petroleum Ghana Limited, in 2006.

14. Leasehold prepayments

	Group and Company	
	2016	2015
Cost	GH¢'000	GH¢'000
Balance at 1 January	467	467
Balance at 31 December	467	467
Amortisation		
Balance at 1 January	208	155
Amortisation for the year	47	53
Balance at 31 December	255	208
Carrying amount		
At 31 December	212	259

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

15. Investment in associates and subsidiaries

(a) Associates

	Group		Company	
	2016	2015	2016	2015
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Investments in associated companies				
Ghana Bunkering Services Limited (GBS)	1,711	12	12	12
Road Safety Limited (RSL) *	-	-	-	-
Share of profit from GBS	404	1,699	-	-
	2,115	1,711	12	12

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

This represents investments in:

Ghana Bunkering Services Limited

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

Road Safety Limited (RSL)

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

The Directors of the Group are of the view that the results of Road Safety Limited are very immaterial to the Group and as such its results have not been included in the consolidated financial statements. However, the results of Ghana Bunkering Services Limited have been included in the consolidated financial statements. The table below summarises the net income and net assets of these associates at the end of the year.

	Total	Group's Share	Total	Group's Share
	2016	2016	2015	2015
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Net income:				
Ghana Bunkering Services Limited	793	385	587	288
Road Safety Limited	90	45	853	427
	883	430	1,440	715
Net assets:				
Ghana Bunkering Services Limited	4,652	2,256	3,571	1,750
Road Safety Limited	667	334	949	475
	5,319	2,590	4,520	2,225

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

15. Investment in associates and subsidiaries (continued)

(b) Subsidiaries

Group

The Group has a 55% interest in Ghanstock Limited, a Company incorporated in Ghana and authorised to build, own, operate and maintain petroleum storage facilities.

Company

	2016 GH¢'000	2015 GH¢'000	2016 Interest	2015 Interest
Investment in subsidiary	6,274	6,274	55%	55%

16. Inventories

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Trading				
Lubricants	34,826	32,669	34,826	32,669
Bitumen	3,718	9,810	3,718	9,810
Fuel	7,913	9,149	7,913	9,149
Additives	10,731	17,039	10,731	17,039
Stock in transit	4,192	9,521	4,192	9,521
Special fluid	1,489	1,300	1,489	1,300
	62,869	79,488	62,869	79,488
Non-Trading				
Consumables	3,001	3,145	2,649	3,145
Packing materials	3,718	2,050	3,718	2,050
	69,588	84,683	69,236	84,683

17. Trade and other Receivables

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Trade receivables	153,438	141,526	151,013	141,526
Other receivables	11,716	16,895	11,716	16,895
Prepayments	395	490	139	134
	165,549	158,911	162,868	158,555

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

18. Cash and cash equivalent

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Cash at hand**	-	-	-	-
Cash at bank	12,436	6,922	11,739	5,387
Cash and bank balances	12,436	6,922	11,739	5,387
Bank overdrafts used for cash management	(44,880)	(57,238)	(44,880)	(57,238)
Cash and cash equivalents in statement of cash flows	(32,444)	(50,316)	(33,141)	(51,851)

**Cash at hand for both Group and Company for the year ended 31 December 2016 was less than GH¢ 1,000

19. Stated capital

	Group and Company		Group and Company	
	2016 No. of shares	2016 GH¢'000 Proceeds	2015 No. of shares	2015 GH¢'000 Proceeds
Authorised:				
Ordinary Shares of no par value	250,000,000	-	250,000,000	-
Issued and fully paid				
For cash	610,000	22	610,000	22
For consideration other than cash	10,069,259	49,694	10,069,259	49,694
Capitalisation issue	101,194,813	1,506	101,194,813	1,506
	111,874,072	51,222	111,874,072	51,222

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

20. Earnings per share

Basic

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

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Profit attributable to equity holders of the Company (expressed in GH¢'000)	30,277	46,805	38,277	45,212
Weighted average number of ordinary shares in issue	111,874,072	111,874,072	111,874,072	111,874,072
Basic earnings per share (expressed in GH¢ per share)	0.2706	0.4184	0.3421	0.4041
Diluted earnings per share (expressed in GH¢ per share)	0.2706	0.4184	0.3421	0.4041

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares, to assume all dilutive potential ordinary shares. At 31 December 2016 and 2015, the Group and Company had no dilutive potential ordinary shares.

21. Trade and other payables

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Trade payables	180,569	142,086	180,569	141,892
Non-trade payables	77,996	55,352	72,360	55,264
Accrued expenses	6,943	5,169	6,368	5,169
	265,508	202,607	259,297	202,325

22. Loans and borrowings

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Current				
Secured bank loans	3,558	4,246	-	-
Non-current				
Secured bank loans	56,641	51,435	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

22. Loans and borrowings (continued)

Terms and debt repayment schedule

Group	31 December 2016				
	Nominal interest	Currency	Year of maturity	Carrying value GH¢'000	Fair value GH¢'000
Secured bank loans	7.16%	US$	2023	60,199	62,412

	31 December 2015				
	Nominal interest	Currency	Year of maturity	Carrying value GH¢'000	Fair value GH¢'000
Secured bank loans	29.13%	GH¢	2023	55,681	62,854

The loan is a Barclays Bank (Ghana) Limited facility obtained for the construction of a Tank Farm at Takoradi, Ghana. During the year, Management renegotiated and converted the facility from Ghana Cedi to United States Dollars. The amended facility has a tenure of 7 years and attracts interest at 3-months US LIBOR plus a margin of 6.4% per annum.

The facility has the following as security:

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

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

23. Provisions

	Group and Company	
	2016 GH¢'000	2015 GH¢'000
Balance at 1 January	6,808	6,020
Provisions made during the year	-	3,733
Amounts utilised	(2,555)	(2,945)
	4,253	6,808

In 2014 the Group committed to a plan to restructure its workforce through voluntary early retirement. Following the announcement of the plan, the Group recognised a provision of GH¢6,951,000 for expected costs. Estimated costs were based on the terms of the relevant agreements signed by the relevant employees and the Company. As at 31 December 2016 the entire provision had been fully utilized.

The outstanding provision represents leave accrual and legal provision of GH¢1,697,000, and provision for long term service awards of GH¢2,556,000.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Financial instruments

(i) Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

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

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

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

(ii) Credit risk

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

Exposure to credit risk

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

Trade and receivables

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Financial instruments (continued)

(ii) Credit risk (continued)

Impairment losses

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. This allowance relates to individually significant exposures.

The aging of trade receivables, amounts due from related parties and other receivables at the reporting date was:

	Group and Company		Group and Company	
	2016	2016	2015	2015
	Gross	Impairment	Gross	Impairment
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Neither past due nor impaired (less than 30 days)	150,096	-	102,477	-
Past due (30 - 90 days)	18,002	-	11,443	-
Individually impaired (more than 90 days)	32,664	16,440	40,776	13,170
	200,762	16,440	154,696	13,170

Management believes that the unimpaired amounts that are past due by more than 30 days but less than 90 days are still collectable in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit worthiness.

The movement in the allowance in respect of trade receivables during the year was as follows:

	Group and Company	
	2016	2015
	GH¢'000	GH¢'000
Balance at 1 January	13,170	13,368
Impairment loss recognised in profit or loss	3,270	2,091
Less: Bad debts written off	-	(2,289)
Balance at 31 December	16,440	13,170

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

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

Cash and cash equivalents

Group

The Group held cash and cash equivalents of GH¢12,436,000 (2015: GH¢6,922,000) at the reporting date with banks which are assessed as having a relatively good credit rating.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Financial instruments (continued)

Company

The Company held cash and cash equivalents of GH¢11,739,000 (2015: GH¢5,387,000) at the reporting date with banks which are assessed as having a relatively good credit rating.

Amount due from related Companies

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

(iii) Liquidity risk

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

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

(a) *Ecobank Ghana Limited*

The Company has an unsecured overdraft facility not exceeding GH¢13 million with Ecobank to finance the Company's receivables, additions to inventories and other operational bills. The facility expires on 31 January 2018.

(b) *Standard Chartered Bank Ghana Limited*

The Company has an unsecured overdraft facility of GH¢20 million with Standard Chartered Bank Ghana Limited to finance working capital.

(c) *Societe Generale Ghana Limited*

The Company has an unsecured overdraft facility of GH¢22million with Societe Generale Ghana Limited to augment working capital. The facility expires on 31 January 2018.

(d) *Barclays Bank Ghana Limited*

The Company has an unsecured overdraft facility of GH¢10 million with Barclays Bank Ghana Limited to finance working capital. The facility expires on 21 January 2018.

(e) *Stanbic Bank Limited*

The Company has an unsecured overdraft facility of GH¢5 million with Stanbic Bank Limited to finance working capital.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Financial instruments (continued)

Exposure to liquidity risk

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

Group 2016	Carrying amounts GH¢'000	Contractual Cashflows GH¢'000	1 year or less GH¢'000	1 to 2 years GH¢'000	2 to 5 years GH¢'000	5 years and over GH¢'000
Non-derivative financial liabilities						
Loans and borrowings	60,199	78,867	8,849	9,152	39,690	21,176
Amount due to related companies	40,343	40,343	40,343	-	-	-
Bank overdrafts	44,880	44,880	44,880	-	-	-
Trade and other payables	262,142	262,142	262,142	-	-	-
	407,564	**426,232**	**356,214**	**9,152**	**39,690**	**21,176**

2015						
Non-derivative financial liabilities						
Loans and borrowings	55,681	126,547	17,079	23,644	56,090	29,734
Amount due to related companies	30,062	30,062	30,062	-	-	-
Bank overdrafts	57,238	57,238	57,238	-	-	-
Trade and other payables	201,709	201,709	201,709	-	-	-
	344,690	415,556	306,088	23,644	56,090	29,734

Company 2016	Carrying amounts GH¢'000	Contractual Cashflows GH¢'000	1 year or less GH¢'000	1 to 2 years GH¢'000	2 to 5 years GH¢'000	5 years and over GH¢'000
Non-derivative financial liabilities						
Amount due to related companies	36,863	36,863	36,863	-	-	-
Bank overdrafts	44,880	44,880	44,880	-	-	-
Trade and other payables	255,931	255,931	255,931	-	-	-
	337,674	**337,674**	**337,674**	**-**	**-**	**-**

2015						
Non-derivative financial liabilities						
Amount due to related companies	29,353	29,353	29,353	-	-	-
Bank overdrafts	57,238	57,238	57,238	-	-	-
Trade and other payables	201,427	201,427	201,427	-	-	-
	288,018	288,018	288,018	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Financial instruments (continued)

(iv). Market risks

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

Foreign currency risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency. The currencies in which these transactions primarily are denominated are Euro and US Dollars.

Exposure to currency risk

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

Group and Company

31 December 2016

	EURO	USD	CFA	CHF
	€'000	$'000	CFA'000	CHF'000
Trade and other payables	(2,652)	(8,064)	(7,628)	-
Amounts due to related parties	(2,034)	(5,248)	(152)	(31)
Cash and cash equivalents	33	2,513	-	-
Amount due from related parties	71	708	-	-
Trade and other receivables	8	4,976	-	-
Gross exposure	(4,574)	(5,115)	(7,780)	(31)

Group and Company

31 December 2015

	EURO	USD	CFA	CHF
	€'000	$'000	CFA'000	CHF'000
Trade and other payables	(1,050)	(3,571)	-	-
Amounts due to related parties	(2,207)	(3,981)	-	-
Cash and cash equivalents	2	561	-	-
Trade and other receivables	158	7,488	1,375	-
Gross exposure	(3,097)	497	1,375	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Financial instruments (continued)

The following exchange rates applied during the year:

	Average Rate		Reporting Rate	
	2016	2015	2016	2015
Ghana Cedi:				
Euro 1	4.3261	4.1280	4.4394	3.9870
USD 1	3.9112	3.7179	4.2023	3.2013
CFA 1	0.0066	0.0073	0.0068	0.0059
CHF 1	3.9696	3.8751	4.1328	3.2294

Sensitivity analysis on currency risk

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

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

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

At 31 December	2016			2015		
	% Change	Strengthening: Impact on equity and profit or loss increase/ (decrease)	Weakening: Impact on equity and profit or loss increase/ (decrease)	% Change	Strengthening: Impact on equity and profit or loss increase/ (decrease)	Strengthening: Impact on equity and profit or loss increase/ (decrease)
Euro	3%	(693)	693	18%	(3,728)	3,728
US$	7%	1,600	(1,600)	17%	2,491	(2,491)
CFA	3%	2	(2)	17%	4	(4)
CHF	4%	-	-	20%	19	(19)

Interest rate risk

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

	Group and Company		Group and Company	
	2016 Increase GH¢'000	2016 Decrease GH¢'000	2015 Increase GH¢'000	2015 Decrease GH¢'000
Interest income impact	1	1	3	4
Interest expense impact	(238)	(130)	(61)	(104)
	(237)	(129)	(58)	(100)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Financial instruments (continued)

Fair values

Trade and other receivables

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

Trade and other payables

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

Cash and cash equivalents

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

Loans and borrowings

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

Fair values versus carrying amounts

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Group 2016		Group 2015		Company 2016		Company 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
(i) **Financial assets**	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Loans and receivables								
Trade and other receivables	165,154	165,154	156,206	156,206	158,421	158,421	155,850	155,850
Amounts due from related parties	2,356	2,356	14	14	7,853	7,853	1,634	1,634
Cash and cash equivalents	12,436	12,436	6,922	6,922	11,739	11,739	5,387	5,387
Total financial assets	**179,946**	**179,946**	163,142	163,142	**178,013**	**178,013**	162,871	162,871
(ii) **Financial liabilities**								
Financial liabilities not measured at fair value								
Loans and borrowings	60,199	62,412	55,681	62,854	-	-	-	-
Trade and other payables	262,142	262,142	201,709	201709	255,931	255,931	201,427	201,427
Amounts due to related parties	40,343	40,343	30,062	30,062	36,863	36,863	29,353	29,353
Bank overdraft	44,880	44,880	57,238	57,238	44,880	44,880	57,238	57,238
Total financial liabilities not measured at fair value	**407,564**	**409,777**	344,690	351,863	**337,674**	**337,674**	288,018	288,018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

25. Related party transactions

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

(ii) Chemical additives, bitumen and consumables costing GH¢82,545,923 (2015: GH¢72,616,000) were procured from Total Outre Mer S. A. during the year.

(iii) Included in general and administrative expenses is an amount of GH¢11,753,506 (2015: GH¢10,645,000) in respect of technical assistance fee payable to Total Outre Mer S. A.

(iv) Total amount paid to directors was GH¢1,308,000 (2015: GH¢1,165,000). The compensation of the Group's directors includes salaries, allowances and contribution to defined contribution pension scheme.

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

Amount due from related parties

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Ghanstock	-	-	5,045	1,620
Other related parties	2,356	14	2,808	14
	2,356	14	7,853	1,634
Amount due to related parties				
Total Outre Mer	28,118	25,801	28,118	25,801
Other related parties	12,225	4,261	8,745	3,552
	40,343	30,062	36,863	29,353

All transactions are to be settled before the end of the next reporting date. None of the balances is secured. No expense has been recognised in the current and prior year for bad and doubtful debts in respect of amounts owed by related parties.

26. Long term leases

	Group and Company	
	2016 GH¢'000	2015 GH¢'000
Balance at 1 January	25,098	10,764
Additions for the year	5,725	15,978
Amortisation for the year	(2,175)	(1,644)
Balance at 31 December	28,648	25,098

The long term leases relate to payments made for lands acquired for the construction of various service stations used. The lease terms ranges from 3 years to 50 years. These leases are amortized over the life of each lease term.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

27. Capital commitment

Commitments for capital expenditure at the reporting date were:

	Group and Company	
	2016	2015
	GH¢'000	GH¢'000
Capital commitment	3,963	1,294

28. Employee benefits

Defined Contribution Plans

(i) Social Security

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

	2016	2015
	GH¢'000	GH¢'000
Group	1,183	1,158
Company	1,163	1,047

(ii) Provident Fund (Defipro)

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

	2016	2015
	GH¢'000	GH¢'000
Group and Company	901	809

29. Capital management

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

The Group's policy is to keep an adjusted net debt to equity ratio of below 3.00.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

29. Capital management (continued)

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

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Total liabilities	417,737	352,396	347,847	295,724
Less: Cash and cash equivalents	12,436	6,922	11,739	5,387
Net debt	405,301	345,474	336,108	290,337
Total equity	148,742	148,308	154,239	138,930
Net debt to equity ratio	2.72	2.33	2.18	2.09

30. Subsequent events

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 December 2016 (2015: Nil).

31. Going concern

The Group's current liabilities exceeded current assets by GH¢94,898,000 (2015: GH¢ 37,617,000) at year ended 31 December 2016. The Group continues to report profits year on year. The net current liability position of the Company at the year end is as a result of increased investments which are expected to generate future revenues for the Company. Directors have made an assessment of the cash flow projections of the Company for the next twelve (12) months which shows a positive business outlook. In addition, the Directors have negotiated and successfully renewed the overdraft facilities with its bankers. The Directors believe that the Company will be able to realise its assets and settle its liabilities in the ordinary course of business.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

32. Finance cost and income

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Bank interest earned	114	386	114	386
Interest on loans and borrowings	23,770	10,407	13,056	10,407

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

33. Non-controlling interest (NCI)

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

	2016	2015
	GH¢'000	GH¢'000
	45%	45%
Non current assets	70,331	70,354
Current assets	3,730	1,891
Non current liabilities	(60,199)	(51,435)
Current Liabilities	(14,613)	(6,851)
Net assets	(751)	13,959
Net assets attributable to NCI	(338)	6,282
Revenue	9,365	-
Loss	(15,278)	(194)
OCI	-	-
Loss allocated to NCI	(6,875)	(87)
OCI allocated to NCI	-	-
Cash flows from operating activities	(585)	868
Cash flows from investments activities	(4,770)	(44,116)
Cash flows from financing activities	4,517	41,459
Net decrease in cash and cash equivalents	(838)	(1,789)

APPENDIX 1

SHAREHOLDING INFORMATION

(i) **Number of shares in issue**

Earnings and dividend per share are based on 111,874,072 (2015: 111,874,072) ordinary shares in issue during the year.

(ii) **Number of shareholders**

The Company had 111,874,072 ordinary shareholders at 31 December 2016 distributed as follows:

Holding		No. of holders	Total holding	% Holding
1	1,000	2,685	942,145	0.84
1,001	5,000	1,596	3,913,602	3.50
5,001	10,000	278	1,808,292	1.62
10,001 and over		150	105,210,033	94.04
		4,709	111,874,072	100.00

(iii) **List of twenty largest shareholders at 31 December 2016**

	Number of shares	Shareholdings
Total Outre Mer S.A.	48,802,560	43.62
Total Africa Limited	37,047,592	33.12
National Investment Bank	9,320,000	8.33
Security & National Insurance Trust	2,923,544	2.61
Ghana Oil Company Limited	1,040,528	0.93
SCGN/ EPACK Investment Fund	798,608	0.71
SCB/ELAC Policy Holders	694,800	0.62
SCGN/CACEI France RE HMG Globtro	250,000	0.22
Damsel/Dorothy Taylor Kwabi	208,580	0.19
Estate of The Late DR. Joseph A. Blankson	201,992	0.18
SSNIT SOS Fund	159,920	0.14
HFC/EDC Ghana Balanced Fund Ltd	158,544	0.14
SCGN/GH. MED. ASSOC. Pension Fund	155,200	0.14
NTHC Limited	137,816	0.12
SCBN/DATABANK Balanced Fund Ltd	109,308	0.10
STD NOM/METLIFE Classic Fund	102,440	0.09
SCGN/SS LUX C/O SSB & T CO, BOSTON	100,000	0.09
STD NOM TVL PTY/ENTERPRISE TIER 3	100,000	0.09
*Mrs. Mercy Adjoa Samson	92,139	0.08
Mr Johnny Crosby Kwesi Blagogee	82,240	0.07
REPORTED TOTALS	102,485,811	91.59
NOT REPORTED	9,388,261	8.41
GRAND TOTALS	**111,874,072**	**100**

*This shareholder is an employee of the Company with management position

EXTRACT OF CODE OF CONDUCT

Business Principles:

Total is a world-class oil, gas and chemicals group with industrial and commercial operations spanning oil, gas, power generation, renewable energies and chemicals in more than 130 countries. Our growth is based on shared core values.

As possible industrial group, Total is committed to supporting efficient and properly managed utilization of our energy sources and products. We take into account the needs of today's consumers and the interest of future generations through an active policy of environmental stewardship that is an integral part of our sustainable development strategy.

We provide regular and transparent reports.

These business principles are our reference point and go hand-in-hand with the objective of continued growth, benefiting shareholders, customers and employees, and contributing to the economic and social development of the countries where we operate.

As a general principle, Total:

Observes the decisions of the United Nations and the European Union, especially with regard to the choice of where to set up operations.

Is sensitive to the concerns expressed by international, European Union, government and non-governmental organizations in matters concerning our operations.

Observes the rules of free competition.

Rejects bribery and corruption in all forms, whether public or private, active or passive.

Total strives to uphold:

- The principles of the universal Declaration of Human Rights.
- The key conventions of the International Labour Organization.
- The OECD Guidelines for Multinational Enterprises.
- The principles of the United Nations Global Compact.

Shareholders

Total strives to earn the confidence of its shareholders, with the objective of providing them with a profitable investment.

We regularly provide full and transparent information to all shareholders and are attentive to their concerns.

We comply strictly with applicable stock exchange regulations and report our activities accurately in our financial statement.

Customers:

Total provides customers with quality products and services, strives at all times to offer them the best performance at competitive prices for their particular requirements.

We are attentive to our customers needs, continuously monitoring, assessing and improving our products, services, technology and procedures to deliver quality, safety and innovation at every stage of the development, production and distribution process.

Employees:

Total has confidence in the loyalty, motivation, competence and sense of responsibility of its employees.

We expect them to adhere to the highest standards of integrity and avoid any conflict of interest.

We pay particular attention to our employees' working conditions, respecting individuals, avoiding discrimination and protecting their health and safety.

We include our employees in our development by encouraging the distribution of information, dialogue and consultation.

We respect their personal lives.

We recruit personnel solely on the basis of our requirements and the specific capabilities of individual applicants.

We develop their professional skills and careers without discrimination regarding race, gender, or affiliation with a political, religious, or union organization or minority group.

All employees have an individual performance appraisal with Management once a year, at which objectives are set, performance assessed and career development discussed. Career development is facilitated by appropriate training.

Suppliers:

Total is careful to respect each party's interests, with transparent and fairly negotiated contract terms.

We expect our suppliers to adhere to principles equivalent to those in our code of conduct.

EXTRACT OF CODE OF CONDUCT (Continued)

Business Partners

Total applies its business Principles and Rules of Individual Behaviour whenever it leads or operates a joint venture.

When we do not lead or operate a venture, we require the leader or operator to apply principles that are compatible with our Business Principles and Rules of Individual Behaviour.

Host Countries

In conducting its businesses, Total respects the natural environment and the cultural values of host countries.

However, we reserve the right to express to governments our position concerning our operations, employees and Shareholders and our belief in the importance of respecting human rights.

Through our operations, we contribute to the social and economic development in countries where we operate particularly local communities.

We comply with all applicable laws and regulations, especially concerning the environment, competition and employment.

Total rejects all forms of bribery and corruption. In particular, Total will not resort to bribery or corruption "in order to obtain or retain business or other improper advantage in the conduct of international business" as outlined in the OECD Convention on combating Bribery of Foreign Public Officials in International Business Transactions.

All our stakeholders are encouraged to inform or report any breach of Company procedure or wrongdoing to the following whistle-blowing email address which is accessible only by the chairperson of the ethics committee:

suggestion@total-ghana.com

BUSINESS DEVELOPMENT

TOTAL PETROLEUM FLOODS THE GHANAIAN MARKET WITH EXCELLIUM FUEL

The quest to consistently improve and create a better energy option for customers motivated Total to introduce the Excellium range of fuel on the market after a thorough lab test. Extensive awareness creation on the high performing fuel took off in full swing after the fuel launch in Accra in September 2016. This fuel cleans the engine kilometer after kilometer and it lessens fuel consumption with its boisterous additives.

THE TOTAL B2C CARD LAUNCHED

The growing cashless and digital society requires innovation. After a successful existence of the Tom Card now Total Card, which served companies by helping optimize their fuel consumption, Total Petroleum Ghana has extended the benefits to individual customers as well. The Total Business to Customer (B2C) Card launched in July 2016 can be used to shop and access other services at the Total stations. The Total Card is simple, safe and smart.

BUSINESS DEVELOPMENT (Continued)

Tema Community 1 Stadium with KFC

NETWORK DEVELOPMENT

In 2016, fifty (50) service stations were renovated. The T'Air concept used in this renovation is a modern design built with eco-friendly materials which safely blends with the natural environment. Some of the renovated service stations have additional state of the art lube bays and car wash centers. Food Corners have been introduced at some of the refurbished stations. For example, KFC drive-through at the Tema Community 1 stadium station, Pizza Hut at the Hospital Road station and the new Mugg & Bean Franchise and Vegetable stall at the Liberation Road station. With these renovations, Total service stations are multi-purpose destination points for individual customers and families.

Mugg & Bean at Liberation Road

Vegetable stall

CORPORATE PROGRAMMES

AWARDS AND RECOGNITION OF TOTAL PETROLEUM GHANA

TOTAL PETROLEUM GHANA RANKED 4TH BEST COMPANY IN GHANA

The Ghana Investment Promotion Center (GIPC) recognized the sterling performance of Total Petroleum Ghana as the 4th best company in 2015 at the 15th edition of the Ghana Club 100 Awards. This is a giant stride from 12th position in the previous edition.

TOTAL PETROLEUM GHANA RANKED NO. 1 OIL MARKETING COMPANY

With over 50 years of operation and excellent services delivery in Ghana, Total Petroleum Ghana's profound contribution to the Ghanaian economy was rewarded at the Ghana Oil and Gas Awards (GOGA) 2016, an event organized by XODUS Communications Ltd. Total Petroleum Ghana won the coveted prize of No. 1 Oil Marketing Company with its Total Quartz 9000 winning the 'Lubricant of the Year'.

THE FINANCE TEAM OF TOTAL PETROLEUM GHANA IS DECLARED THE BEST

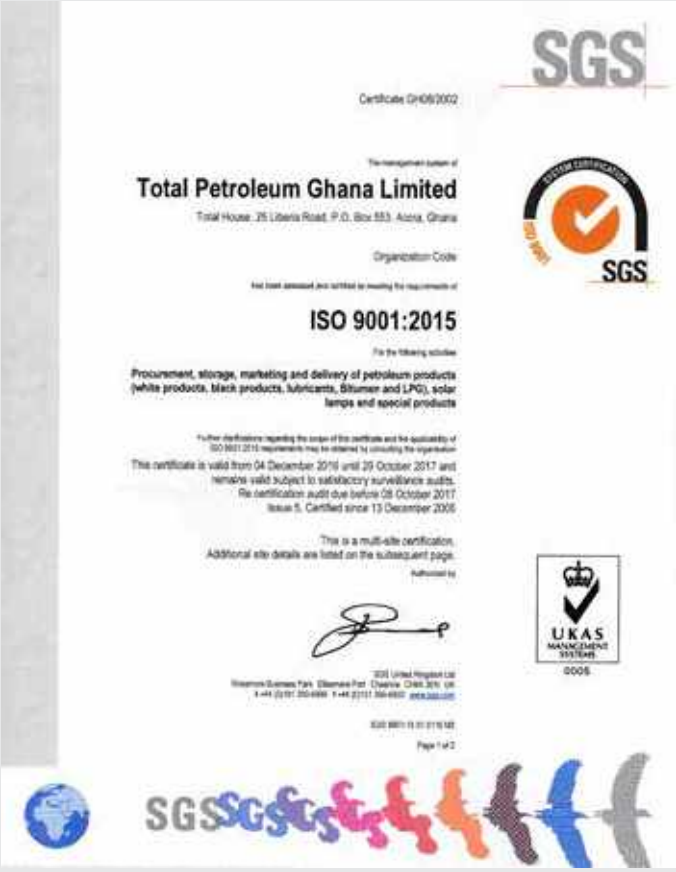
The former Finance and Accounts Manager of Total Petroleum Ghana, Madam Rose Nkada was awarded the Best Finance Officer in the Oil and Energy Category at the second edition of the Chief Financial Officer (CFO) Awards in 2016. The Finance team also emerged as the Best Finance Team of the year in the Bronze Category. This award was organized by Instinct Wave Limited.

CORPORATE PROGRAMMES (Continued)

AWARDS AND RECOGNITION OF TOTAL PETROLEUM GHANA

ISO 9001:2015 CERTIFIED

SGS has re-certified Total Petroleum Ghana for having met the world class quality management system standard after a thorough audit. Total Petroleum Ghana was the first Oil Marketing Company (OMC) to be ISO 9001:2008 certified in Ghana. After 11 years, Total Petroleum Ghana has set the pace again by becoming the first OMC to successfully migrate to the ISO 9001:2015 standard.


SGS

Certificate GH08/2002

Total Petroleum Ghana Limited

Total House, 26 Liberia Road, P.O. Box 553, Accra, Ghana

Organisation Code

ISO 9001:2015

Procurement, storage, marketing and delivery of petroleum products (white products, black products, lubricants, Bitumen and LPG), solar lamps and special products

This certificate is valid from 04 December 2016 until 29 October 2017 and remains valid subject to satisfactory surveillance audits.
Re-certification audit due before 08 October 2017
Issue 5. Certified since 13 December 2008

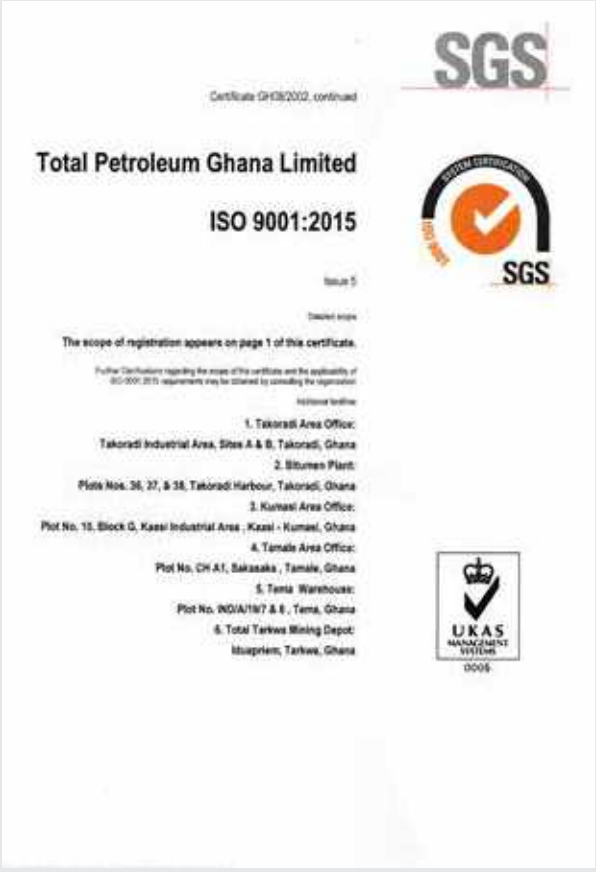
This is a multi-site certification.
Additional site details are listed on the subsequent page.

SGS United Kingdom Ltd

Page 1 of 2

SGS

UKAS MANAGEMENT SYSTEMS 0008


SGS

Certificate GH08/2002, continued

Total Petroleum Ghana Limited

ISO 9001:2015

Issue 5

The scope of registration appears on page 1 of this certificate.

1. Takoradi Area Office:
Takoradi Industrial Area, Sites A & B, Takoradi, Ghana
2. Bitumen Plant:
Plots Nos. 36, 37, & 38, Takoradi Harbour, Takoradi, Ghana
3. Kumasi Area Office:
Plot No. 10, Block G, Kaasi Industrial Area , Kaasi - Kumasi, Ghana
4. Tamale Area Office:
Plot No. CH A1, Bakasaka , Tamale, Ghana
5. Tema Warehouse:
Plot No. INDIA/19/7 & 8 , Tema, Ghana
6. Total Tarkwa Mining Depot:
Ituaprieni, Tarkwa, Ghana

SGS

UKAS MANAGEMENT SYSTEMS 0008

CORPORATE PROGRAMMES (Continued)

CSR - YOUTH, EDUCATION & SPORTS

TOTAL SUPPORTS YOUNG GHANAIAN ENTREPRENEURS

The StartUpper challenge launched in 2016 by Total Petroleum Ghana offers a unique opportunity to young Ghanaian entrepreneurs who have a startup company or a brilliant project for economic impact. The yardstick for the winning projects was based on economic and social criteria such as skills, innovation, job creation, local processing etc. The winners received professional coaching, financial assistance and exposure. The 3 winning projects for 2016 are doing remarkably well. The winners received a cash prize totalling Ghc 160,000.

- **Mr. Joshua Ayinboro (Pineapple Farming) - Overall winner**
- **Ms. Salma Abdulai (Food Processing and Marketing) – 1st runner up**
- **Ms. Eunice Owusu Karikari (Fruit and Vegetable Juice processing) - 2nd runner up**

This competition is held every 2 years and Total Petroleum Ghana is proud to build up young entrepreneurs who will contribute their quota to the development of the Ghanaian economy.

CORPORATE PROGRAMMES (Continued)

CSR - YOUTH, EDUCATION & SPORTS

WESTERN AND ASHANTI REGIONS HOST TOTAL SAFETY CUBE

With the aid of a very proactive team from the National Road Safety Commission and the Global Road Safety Partnership, the Western and Ashanti Regions benefited from the Total Safety Cube last year. The campaign seeks to offer substantial information and education on Road Safety and community interventions whilst providing skills to empower local Road Safety Ambassadors. Approximately 6000 pupils and 160 teachers from clusters of schools benefited from the Road Safety education.

DONATION TO GHANA NATIONAL FIRE SERVICE

As a socially responsible entity, Total Petroleum Ghana has always initiated programmes to impact the various communities in which it operates. Stakeholders such as commercial drivers and school children have benefited largely from several sensitization campaigns by the Company. Over the past 5 years, the Company has operated a scheme to support the Ghana National Fire Service in the form of fuel donations on various social intervention programmes in different parts of the country to assist them in protecting lives and property.

CORPORATE PROGRAMMES (Continued)

CSR - YOUTH, EDUCATION & SPORTS

MALARIA DAY CAMPAIGN

The Asem cluster of schools and its immediate environment in the Ashanti Region were the next to benefit from the World Malaria Day campaign of Total Petroleum Ghana. The exercise was held in collaboration with some medical personnel and the Metropolitan Authority in the Ashanti Region. About 1200 basic school pupils benefited from this programme. Planned activities included sketches, poetry recitals, rap competitions and a quiz to test the knowledge of pupils on Malaria which continues to kill millions globally. Every child was given a treated mosquito bed net, Total insecticide and many other attractive prizes.

TOTAL CHAPERONES YOUNG GRADUATES

Total, through the Young Graduate Program, provides graduates with an opportunity to discover the professional world with an on-field experience and international exposure. This innovative initiative positions Total as an attractive employer of choice. In October 2016, Total Petroleum Ghana enrolled four graduates from Ghanaian public universities. Two Young Graduates from Congo Brazzaville and South Africa are also working in Total Petroleum Ghana. Since its launch in Paris in 2014, the Young Graduate Program in the Africa Division has offered work experience and career opportunities to over 150 graduates in Africa and the Middle East.

CORPORATE PROGRAMMES (Continued)

CSR - YOUTH, EDUCATION & SPORTS

FUN TIME AT THE 2016 MILLENNIUM MARATHON

Total Petroleum Ghana has supported the nationwide Millennium Marathon for the second consecutive time. The Company believes in promoting sports, health and unity, a vital aspect of economic development. A good number of the Company's staff participated in the marathon with the Managing Director leading the 21km race. The Brand Ambassador of the Company and former Black Stars Captain, Stephen Appiah was also present.

RECOGNITION OF STAKEHOLDERS

DEALER CONVENTION AND AWARDS

Total Petroleum Ghana rewarded the outstanding performance of its dedicated Dealers for the year 2016. The awards were presented at the convention dubbed 'The Customer, Our Business, Our Future'. There were over 230 people including Dealers, the Total Network team and Management. The convention created an opportunity to share best practices and company strategies.

CONTRACTORS AWARDS

Total Petroleum Ghana treated its Contractors and Engineers to a night of appreciation for their outstanding performance and safety adherence in 2016. Some Contractors were rewarded for their quality of work and reliability in terms of safety and maintenance. Engineers were also recognized.

PROXY FORM

PROXY FORM FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT THE NATIONAL THEATRE, LIBERIA ROAD, ACCRA ON 10TH DAY OF MAY, 2017 AT 11.00 O'CLOCK IN THE FORENOON

I/We,_____being Member(s) of TOTAL PETROLEUM GHANA LIMITED, hereby appoint or failing him/her the Chairman as my / our Proxy to vote for me / us, and on my / our behalf at the Annual General Meeting of the Company to be held on the Wednesday, 10th May, 2017 and at any and every adjournment thereof.

This Form to be used :-

Ordinary Resolutions

1.	*in favour of against	The Resolution to receive and adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December, 2016.
2.	*in favour of against	The Resolution to declare final dividend for the year ended 31st December, 2016 as recommended by the Directors.
3.	*in favour of against	The Resolution to ratify the appointment of Mr. Stanislas Mittelman as a Director of the Company.
4.	*in favour of against	The Resolution to re-elect Mr. Gerard Pruneau as a Director of the Company.
5.	*in favour of against	The Resolution to re-elect Mr. Kofi Ampim as a Director of the Company.
6.	*in favour of against	The Resolution to fix the remuneration of the Directors.
7.	*in favour of against	The Resolution to authorise the Directors to fix the remuneration of the Auditors.

On any other business transacted at the Meeting and unless otherwise instructed in paragraphs 1 to 7 above, the resolutions to which reference is made in paragraphs, the Proxy shall vote as he/she thinks fit.

*Strike out whichever is not desired.

Signed this ..... day of ..... 2017 .....

Signature of Shareholder

SECOND FOLD HERE

Please
affix
stamp

FIRST FOLD HERE

The Secretary
TOTAL PETROLEUM GHANA LIMITED
25 Liberia Road,
P. O. Box 553, Accra, Ghana

THIRD FOLD HERE

PROXY FORM CONT'D

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

1. A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the Form for MADAM. ADA EZE, the Chairman of the meeting to act as your Proxy, but if you so wish, you may insert in the blank space provided the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of MADAME ADA EZE.
3. In case of joint holders, each joint holder must sign.
4. If executed by a Corporation, the Proxy Forms must bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 4.00 p.m. on Monday the 8th of May, 2017.
6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.

See you at
www.total.com

Head Office
No. 25 Liberia Road, West Ridge,
Accra, Greater Accra Region Ghana
+233-302-611555 I 611556
Totalgh Total Ghana Total Ghana

INDEPENDENT AUDITOR'S REPORT

To the Members of Total Petroleum Ghana Limited

Report on the Audit of the Consolidated and Separate Financial Statements

We have audited the consolidated and separate financial statements of Total Petroleum Ghana Limited ("the Group"), which comprise the statements of financial position at 31 December 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 17 to 56.

In our opinion, these financial statements give a true and fair view of the consolidated and separate financial position of Total Petroleum Ghana Limited at 31 December 2016, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

Basis for Opinion

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

Key Audit Matters

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

Trade and other receivables GH¢166 million Refer to Note 17 to the consolidated and separate financial statements	
The key audit matter	*How the matter was addressed in our audit*
The Group has significant trade receivables with customers in the energy and natural resources industry and other dealer-owned-dealer- operated customers. The recoverability of outstanding amounts from some customers may be in doubt.	Our principal audit procedures included the following: • Tested the design and operating effectiveness of the key controls over financial reporting related to the receivables collection processes • Tested receipt of cash after the year end by reviewing the bank statements and customer accounts • Tested the adequacy of the Group's provisions against trade receivables by assessing the management's assumptions, taking account of externally available data on trade credit exposures and our own knowledge of recent bad debt experience in this industry • Reviewed the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the provision • We assessed the reasonableness of impairment allowance on doubtful debt including a review of consistency of model used and accuracy of inputs. • We also assessed the adequacy of the Group's disclosures of its receivables policy and other related disclosures

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Total Petroleum Ghana Limited

Revenue GH¢1,662 million Refer to Note 6 to the consolidated and separate financial statements	
The key audit matter	*How the matter was addressed in our audit*
The Group has multiple streams of revenue from sale of petroleum products. These products are sold to customers based on negotiated prices. Thus, same products are sold to different customers at different prices. Revenue is recognised for each transaction based on the negotiated price which may not be appropriately applied.	Our principal audit procedures included the following: • Tested the Group's controls over revenue recognition and key manual and systems-based controls in recording sales, including reconciliations between financial information in accounting system and the general ledger • Evaluated revenue at significant component, which included analysis of interest and other income month on month, corroborating movements compared with expectations and inspection of contracts with customers • Searched for fictitious customers by assessing the reliability and integrity of customer master data • We also assessed the adequacy of the Group's disclosures of its revenue recognition policy and other related disclosures • Assessed whether sales transactions either side of the balance sheet date as well as credit notes issued after year end are recognised in the correct period • Searched for fictitious sales by using KPMG Automated Audit Procedures to match sales invoices to related orders and dispatch notes at the transaction level and investigated unmatched transactions • Assessed whether appropriate revenue recognition policies are applied through comparison with accounting standards

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report which include the Chairman's Statement and the Directors' Report as required by the Companies Act, 1963 (Act 179) but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Total Petroleum Ghana Limited

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)

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

In our opinion, proper books of account have been kept, and the consolidated and separate statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **Anthony K. Sarpong (ICAG/P/1369).**

KPMG

.....

For and on behalf of: KPMG: (ICAG/F/2017/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P. O. BOX GP 242
ACCRA
28 March 2017

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	Note	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Assets					
Property, plant and equipment	12	**260,113**	202,007	**189,892**	131,653
Intangible assets and goodwill	13	**13,364**	13,423	**13,254**	13,423
Investment in associates	(15.a)	**2,115**	1,711	**12**	12
Leasehold prepayment	14	**212**	259	**212**	259
Deferred tax asset	11	**82**	1,670	**82**	1,670
Long term leases	26	**28,648**	25,098	**28,648**	25,098
Investment in subsidiary	(15.b)	**-**	-	**6,274**	6,274
Total non-current assets		**304,534**	244,168	**238,374**	178,389
Inventories	16	**69,588**	84,683	**69,236**	84,683
Current tax asset	10(ii)	**9,462**	6,006	**9,462**	6,006
Trade and other receivables	17	**165,549**	158,911	**162,868**	158,555
Amounts due from related companies	25	**2,356**	14	**7,853**	1,634
Cash and cash equivalents	18	**12,436**	6,922	**11,739**	5,387
Total current assets		**259,391**	256,536	**261,158**	256,265
Total assets		**563,925**	500,704	**499,532**	434,654
Equity					
Stated capital	19	**51,222**	51,222	**51,222**	51,222
Retained earnings		**98,116**	90,807	**103,017**	87,708
Non-controlling interest		**(596)**	6,279	**-**	-
Total equity		**148,742**	148,308	**154,239**	138,930
Liabilities					
Bank overdraft	18	**44,880**	57,238	**44,880**	57,238
Loans and borrowings	22	**3,558**	4,246	**-**	-
Trade and other payables	21	**265,508**	202,607	**259,297**	202,325
Amount due to related companies	25	**40,343**	30,062	**36,863**	29,353
Total current liabilities		**354,289**	294,153	**341,040**	288,916
Loans and borrowings	22	**56,641**	51,435	**-**	-
Provisions	23	**4,253**	6,808	**4,253**	6,808
Total non-current liabilities		**60,894**	58,243	**4,253**	6,808
Total liabilities		**415,183**	352,396	**345,293**	295,724
Total liabilities and equity		**563,925**	500,704	**499,532**	434,654

These financial statements were approved by the Board of Directors on 28 March 2017 and signed on their behalf by:

DIRECTOR **DIRECTOR**

The notes on page 21 to 56 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Revenue	6	**1,661,615**	1,793,752	**1,652,250**	1,793,752
Cost of sales	8	**(1,499,083)**	(1,635,731)	**(1,491,717)**	(1,635,731)
Gross profit		**162,532**	158,021	**160,533**	158,021
Other income	7	**12,111**	14,057	**12,111**	13,451
General, administrative and selling expense	8	**(114,108)**	(103,397)	**(107,544)**	(101,861)
Operating profit before financing costs/ income		**60,535**	68,681	**65,100**	69,611
Finance income	32	**114**	386	**114**	386
Finance costs	32	**(23,770)**	(10,407)	**(13,056)**	(10,407)
Share of profit from associate, net of tax		**404**	1,699	**-**	-
Profit before taxation	8	**37,283**	60,359	**52,158**	59,590
Income tax expense	10(i)	**(13,881)**	(13,641)	**(13,881)**	(14,378)
Profit for the year		**23,402**	46,718	**38,277**	45,212
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income		**23,402**	46,718	**38,277**	45,212
Profit/total comprehensive income attributed to:					
Owners of the Company		**30,277**	46,805	**-**	-
Non-controlling interest		**(6,875)**	(87)	**-**	-
Basic earnings per share (Ghana cedi per share)	20	**0.2706**	0.4184	**0.3421**	0.4041
Diluted earnings per share (Ghana cedi per share)	20	**0.2706**	0.4184	0.3421	0.4041

The notes on page 21 to 56 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

Group	Stated Capital GH¢'000	Retained Earnings GH¢'000	Non Controlling Interest GH¢'000	Total Equity GH¢'000
Balance at 1 January 2016	51,222	90,807	6,279	148,308
Total comprehensive income for the year	-	-	-	-
Profit for the year	-	30,277	(6,875)	23,402
Total comprehensive income for the year	-	30,277	(6,875)	23,402
Transaction with equity holders				
Dividend paid	-	(22,968)	-	(22,968)
Total transactions with equity holders	-	(22,968)	-	(22,968)
Balance at 31 December 2016	**51,222**	**98,116**	**(596)**	**148,742**
Balance at 1 January 2015	51,222	65,101	6,366	122,689
Total comprehensive income for the year				
Profit for the year	-	46,805	(87)	46,718
Total comprehensive income for the year		46,805	(87)	46,718
Transaction with equity holders				
Dividend paid	-	(21,099)	-	(21,099)
Total transactions with equity holders	-	(21,099)	-	(21,099)
Balance at 31 December 2015	51,222	90,807	6,279	148,308

Company	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2016	51,222	87,708	138,930
Total comprehensive income for the year			
Profit for the year	-	38,277	38,277
Total comprehensive income for the year	-	38,277	38,277
Transaction with equity holders			
Dividend paid	-	(22,968)	(22,968)
Total transactions with equity holders	-	(22,968)	(22,968)
Balance at 31 December 2016	**51,222**	**103,017**	**154,239**
Balance at 1 January 2015	51,222	63,595	114,817
Total comprehensive income for the year			
Profit for the year	-	45,212	45,212
Total comprehensive income for the year	-	45,212	45,212
Transaction with equity holders			
Dividend paid	-	(21,099)	(21,099)
Total transactions with equity holders	-	(21,099)	(21,099)
Balance at 31 December 2015	51,222	87,708	138,930

The notes on page 21 to 56 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Group 2016 GH¢'000	Group 2015 GH¢'000	Company 2016 GH¢'000	Company 2015 GH¢'000
Cash flows from operating activities				
Profit after taxation	23,402	46,718	38,277	45,212
Adjustments for:				
Foreign exchange loss/(gains)	3,035	(941)	3,035	(941)
Depreciation charges	21,419	12,753	15,358	12,744
Amortisation of leasehold prepayment	47	53	47	53
Amortisation of intangible assets	197	163	169	163
Amortisation of long term lease	2,175	1,644	2,175	1,644
Interest income	(114)	(386)	(114)	(386)
Provision	(2,555)	788	(2,555)	788
Interest expense	23,770	10,407	13,056	10,407
Tax expense	13,881	13,641	13,881	14,378
Profit on disposal of plant and equipment	(1,467)	(201)	(1,467)	(201)
Share of profit from associate	(404)	(1,699)	-	-
	83,386	82,940	**81,862**	83,861
Change in inventories	15,095	(15,760)	15,447	(15,760)
Change in trade and other receivables	(4,424)	4,348	(2,099)	4,630
Change in trade and other payables	59,268	593	53,339	1,410
Change in related party balances	5,455	9,927	(1,193)	7,598
Cash generated from operations	158,780	82,048	147,356	81,739
Interest received	114	386	114	386
Interest paid	(23,770)	(10,407)	(13,056)	(10,407)
Income taxes paid	(15,749)	(17,270)	(15,749)	(17,270)
Net cash flow from operating activities	**119,375**	54,757	**118,665**	54,448
Cash flows from investing activities				
Purchase of property, plant and equipment	(84,286)	(83,759)	(78,358)	(39,756)
Purchase of software	(138)	(72)	-	(72)
Proceeds from sale of plant and equipment	6,228	5,666	6,228	5,666
Principal payment for leases contracted	(5,725)	(15,978)	(5,725)	(15,978)
Net cash flow used in investing activities	**(83,921)**	(94,143)	**(77,855)**	(50,140)
Cash flows used in financing activities				
Dividend paid	(22,968)	(21,099)	(22,968)	(21,099)
Proceeds from new loans	4,518	41,905	-	-
Net cash flow used in financing activities	**(18,450)**	20,806	**(22,968)**	(21,099)
Net increase/(decrease) in cash and cash equivalents	**17,004**	(18,580)	**17,842**	(16,791)
Analysis of changes in cash and cash equivalents during the year				
Balance at 1 January **(Note 18)**	(50,316)	(33,110)	(51,851)	(36,434)
Net increase/(decrease) in cash and cash equivalents	17,004	(18,580)	17,842	(16,791)
Effect of foreign exchange fluctuation on cash held	868	1,374	868	1,374
Balance at 31 December	**(32,444)**	(50,316)	**(33,141)**	(51,851)
Analysis of balances of cash and cash equivalents as shown in the balance sheet				
Cash and bank balances **(Note 18)**	(32,444)	(50,316)	(33,141)	(51,851)

The notes on page 21 to 56 form an integral part of these financial statements.