GHANA
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PRESS RELEASE

PR. No 170/2021

**TOTAL PETROLEUM GHANA PLC (TOTAL) -
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2020**

TOTAL has released its Audited Financial Statements for the year ended 31 December 2020 as per the attached.

Issued in Accra, this 4th
Day of May, 2021

- E N D –

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, TOTAL
4. UMB Registrars, (Registrars for TOTAL shares)
5. Custodians
6. Central Securities Depository Ghana Ltd
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:
Head of Listing, GSE on 0302 669908, 669914, 669935
**WA*

ANNUAL REPORT 2020
TOTAL PETROLEUM GHANA PLC

Our Core Values

TOTAL

ABOUT US

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

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

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

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

OUR VISION

Our vision includes:

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

OUR MISSION

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

TOTAL


TOTAL
QUARTZ
ENGINE OIL
A new vision
of performance
TOTAL
QUARTZ
9000
5W-40
5L
TOTAL
QUARTZ
9000
5W-40
5L
TOTAL
Committed to Better Energy
total-ghana.com

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Corporate Information

Board of Directors

Samba Salfal Seye	-	Chairman
Eric Fanchini	-	Managing Director
Rexford Adomako-Bonsu	-	Member
Kofi Ampim	-	Member (Deceased)
Stanislas Mittelman	-	Member
Laurette Otchere	-	Member
Wilfried Kondé	-	Member
Alain Vedier	-	Member
John Mawuli Ababio	-	Member

Secretary

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

Registered Office

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

Solicitor

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

Registrar

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

Auditor

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

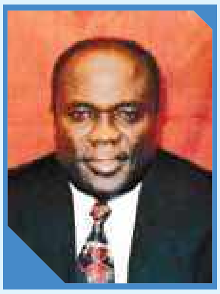
Bankers

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

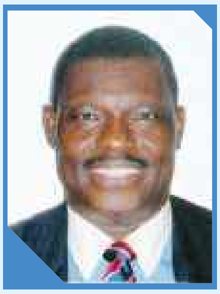
Board of Directors

Samba Salfal Seye
Chairman

Eric Fanchini
Managing Director



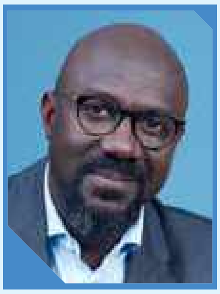
Rexford Adomako-Bonsu
Member



Kofi Ampim
Member
(Now deceased)

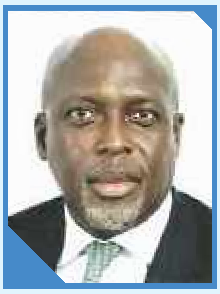
Stanislas Mittelman
Member

Laurette Otchere
Member



Wilfried Kondé
Member

Alain Vedier
Member



John M. Ababio
Member

Mercy Samson
Secretary

Management Team

Eric Fanchini
Managing Director

Marcel Ably-Bidamon
Finance & Accounts Manager

Frank Boamah
Health, Safety, Environment and Quality Manager

Bright Dokosi
Human Resource Manager

Ellen Sarfo Kantanka
Legal & External Affairs Manager

Laurent Gouy
Sales & Marketing Manager

Thibault Putz
Operations Manager

Henry Adzewodah
Lubricants Manager

Chairman's Statement

Introduction

Distinguished Shareholders, Ladies and Gentlemen, it is my pleasure to welcome you all to the 45th Annual General Meeting (AGM) of your Company, Total Petroleum Ghana PLC. It is indeed an honour to address you and to present to you the Director's Annual Report and the Audited Financial Statements of the Company for the year ended 31st December 2020.

The global and national effect of the COVID-19 Pandemic in the past year was unprecedented. We have all been affected one way or the other by this Pandemic but we are thankful that we now have the vaccines and hope that the vaccines will tone down Covid-19's negative impact. For those of you, our Shareholders who have lost family members, friends, colleagues and loved ones as a result of the Pandemic, please accept my heartfelt condolences. We continue to pray that the steps being taken by all of us, under the direction of the Health Authorities, to curb the spread of the Virus will yield some positive results so that we can go back to some semblance of normalcy in our lives.

At this meeting, we will be reviewing your Company's performance for the year ended 31st December, 2020; a challenging year due to the Pandemic. We will also present to you some of our future business plans aimed at developing the business of the Company. As Directors, and on behalf of Management and Staff, we do appreciate the confidence you continue to have in us. We remain committed and focused in taking decisions and actions that will promote and ensure the continuous growth of the Company with the resultant positive returns on our Shareholder's investment.

Review of Economic Environment

The macroeconomic indicators of the Ghanaian economy remained positive in 2020, notwithstanding the uncommon market conditions (lockdown period in Greater Accra and in Kumasi, closure of boarders, airport closure, and various transport restrictions) and a major Oil &Gas international crisis resulting in a high crude volatility.

The Ghanaian Cedi underwent a 4% depreciation against the US dollar in 2020 which was lower than in 2019. The Bank of Ghana prime rate ended the year at 14.5%.

Financial and Operational Performance

The Group recorded a 63% growth in net profit for the year 2020, a performance attributed to the efforts and action plans set by Management and the Board of Directors.

The consolidated profit after tax for 2020 amounted to GH¢112.3 million compared to GH¢68.7 million in 2019, whilst the Company's profit after tax amounted to GH¢113.6 million compared to GH¢69.3 million in 2019.

The Group's basic earnings per share increased from GH¢0.6230 in 2019 to GH¢1.0211 in 2020.

It is worth mentioning that the business impact of the COVID-19 Pandemic was compensated in 2020 by fruitful investments, sales dynamism, cost control and operational efficiency.

The Company remained steadfast through its continued investments, in line with the strategy to identify new business opportunities and to improve the quality of its assets. Most notably, we have opened new service stations nationwide and launched initiatives, such as building solar panels at some of our stations to generate power for operations.

Chairman's Statement cont'd

The Company received the following awards in recognition for its outstanding performance and contribution to the Ghanaian economy in 2020:

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

Dividend

Despite these uncertain and challenging times, in October 2020, the Board approved the payment of an interim dividend of GH¢7.764 million, which represented GH¢0.0694 per share which was paid to Shareholders in December, 2020.

At this meeting, the Board will be recommending for your consideration, payment to Shareholders of a final dividend of GH¢19.399 million which represents GH¢0.1734 per share in respect of the year ended 31st December, 2020. This brings the total dividend for Shareholders for the year ended 31st December, 2020 to GH¢27.163 million representing GH¢0.2424 per share. The final dividend, if approved, will be paid to Shareholders at the end of June, 2021 subject to withholding tax where applicable.

Board Changes

At this Meeting, we will be recommending to you for re-election, three (3) of our Directors namely, Mr. Alain Vedier, Mr. Stanislas Mittelman and Mrs. Laurette Otchere. Each of these Directors is due to retire by rotation at this meeting and have expressed their willingness to continue in office.

Corporate Governance

Corporate Governance remains key to our business and the Company continues with its policy of zero-tolerance for non-compliance in all its business activities. The Company demands high standards from its Directors and Top Management, who have the duty to ensure that robust corporate governance systems and structures are maintained and adhered to by all, in order to guarantee the sustainability of this Company. Furthermore, our Company's staff, Contractors, Dealers, and Business Partners are regularly trained on the Company's Code of Ethics and Conduct to ensure compliance by all.

In line with Shareholders' approval at our last meeting and in compliance with the new Companies Act, 2019 (Act 992), we have also successfully changed the Company's name from Total Petroleum Ghana Limited to Total Petroleum Ghana PLC.

Health and Safety

The Company has been ISO certified since 2005 and currently operates with ISO-9001:2015 standards. Health, Safety, Environment and Quality remains a core value for the Group and the Company, and is closely monitored. We are continuously focused on ensuring a safe and healthy workplace for our employees and service providers, and are committed to managing our activities to protect our host communities.

In 2020, special attention was placed at Company level with the roll-out of the Total Group's One Maestro framework (Management and Expectation Standards Towards Robust Operations) which is aimed at continuously improving our Health, Safety, Environment & Quality systems whilst creating awareness amongst our staff and all our business partners.

At the same time, a dedicated action plan has been put in place to mitigate the impact of the COVID-19 Pandemic on our operations and to protect our staff, our service station personnel, and our various stakeholders who visit our business premises.

Corporate Social Responsibility

As part of its corporate social responsibilities (CSR), several donations were made to some communities, organisations, and the Company's customers to support the general efforts by all to fight and protect us all from the COVID-19 Pandemic. GH¢100,000 worth of fuel was donated to the COVID-19 National Trust Fund and items such as nose masks, liquid soap, paper towels, veronica buckets, and hand sanitizers amongst others were also distributed throughout the year by the Company to various Drivers Unions across the country with the support of our service station dealers.

On another note, the Company seeks to ensure that its operations have a positive impact on all aspects of the Ghanaian Society. To this end, the Company continues to focus on Entrepreneurship, Education, Youth Support, and Environment.

Chairman's Statement cont'd

Some highlights of the Company's CSR activities in 2020 were:

- ***Young Dealer Scheme***, which gives an opportunity to the Company's best Service Station attendants to become Service Station Dealers;
- ***Young Graduate Program***, which targets University Graduates and offers a training program of six (6) months in Ghana followed by a further twelve (12) months international training contract with another Total affiliate, either within Africa or at the Head office in Paris;
- ***Recycling initiative*** with the IRecycle Project in collaboration with Voltic Ghana Limited and Coliba Ghana Limited to collect plastic waste within Accra and Tema. Recycle bins have therefore been located in some Total Stations for this purpose;
- ***Entrepreneurship*** in collaboration with Mckingtorch Africa, who was also one of the finalists of our Startupper Challenge in 2018.

Outlook

The Board and Management of your Company continue to maintain a positive outlook for the future, despite these unusual times. The Board will continue to spearhead and take bold decisions that will yield positive results in all segments of the Company's business.

The Company will continue to promote innovation and has since launched a digital roadmap for its future. Consequently, several new local and Group applications have been developed and are now being implemented to enhance our service and customers' unique experience. New e-solutions are being implemented within our network of service stations to monitor real time data and to guarantee the highest quality in all our operations.

The Company, being the first to solarize its network stations in 2018, currently boasts of twenty-three (23) service stations on solar energy power. This project is on-going as part of the Company's overall plan to modernize its network and to propose renewable energies. Our ambition remains to solarize at least 50% of our retail outlets within the next four (4) years.

Over time, we have consistently researched and delivered unto the market, top notch products like Excellium diesel and Excellium gasoline with state-of-the-art additives packaged to protect and improve the performance of customers' vehicle engines. We have also provided our customers with a large range of lubricants, Car Care products and various means of payment, including the Total Card solution. We are excited that the quality of these products, as well as the professionalism in our service delivery, continues to receive high patronage from our loyal customers. We will build on these achievements as part of our strategy to deliver quality products and services to our customers and to enhance long-term shareholder value.

Acknowledgement

On behalf of the Board of Directors, I would like to express my deep gratitude to the Management, Staff, Customers and Business Partners of the Company for their continued support. They truly have enabled us to achieve our objectives in 2020 and to maintain the Total brand as one of the best performing brands in Ghana. I am confident to say that their support has also enabled our success.

In conclusion, I would like to thank my colleagues at the Board for their continuous and unwavering commitment in providing strategic leadership and thereby enabling the Company to remain a major player in the Petroleum Industry in Ghana.

I sincerely thank you all for your time and participation in this meeting today.

Until we meet again, I wish you all the very best even in these uncertain times. Please continue to adhere strictly to all COVID-19 protocols issued by the Health Authorities and at the various places you visit, and stay safe wherever you find yourselves.

Samba Salfal Seye
Chairman

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of the Shareholders of Total Petroleum Ghana PLC will be held **VIRTUALLY and streamed live by video link** from the Head office of Total Petroleum Ghana PLC on **Tuesday,1st June, 2021 at 11:00am** to transact the following business:

AGENDA

1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December, 2020.
2. To declare Final Dividend in respect of the year ended 31st December, 2020.
3. To re-elect Directors retiring by rotation.
4. To fix the remuneration of the Directors.
5. To authorize the Directors to fix the renumeration of the Auditors.
6. To consider and to appoint PricewaterhouseCoopers to replace KPMG as Auditors of the Company effective from the conclusion of the Annual General Meeting.

Dated this 26th day of March, 2021

By Order of the Board
MERCY SAMSON (MRS.)
SECRETARY

Note:

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

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

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

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

v. The 2020 Audited Financial Statements of the Company can be viewed by visiting: http://totalghana-agm.com/.

Accessing and Voting at the Virtual AGM

vi. A **unique token number** will be sent to shareholders by email and/or SMS from 10th May, 2021 to give them access to the meeting. Shareholders who do not receive this token can contact **EMMANUEL AMOAH ODUM** on REGISTRARS@MYUMBBANK.COM **or call 0302 220952/0302226112** any time after 10th May, 2021 but before the date of the AGM to be sent the unique token.

vii. **To gain access to the Virtual AGM,** shareholders must visit http://totalghana-agm.com and input their unique token number on 1st June, 2021. Access to the meeting will start from 8.00am. Shareholders who do not submit proxy forms to the Registrar of the Company prior to the meeting may vote electronically during the Virtual AGM using their unique token number. Further assistance on accessing the meeting and voting electronically can be found on http:// totalghana-agm.com.

For further information, please contact the Registrar:
Universal Merchant Bank Limited,
123 Kwame Nkrumah Avenue,
Sethi Plaza, Adabraka,
Accra.

Report of the Directors

To the Members of Total Petroleum Ghana PLC

Directors' responsibility statement

The Directors are responsible for the preparation of consolidated ("Group") and separate ("Company") financial statements that give a true and fair view of Total Petroleum Ghana PLC, comprising the statements of financial position as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the Report of the Directors.

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

The Directors have made an assessment of the ability of the Group and Company to continue as going concerns. Refer to note 31 for going concern consideration.

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

Principal activity

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

Objectives of the Company

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

Holding company

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

Subsidiary Company

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

Associate Companies;

Ghana Bunkering Services Limited

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

Road Safety Limited

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

Five year financial highlights

Group	**2020**	2019	2018	2017	2016
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Revenue	2,394,002	2,628,610	2,381,106	1,858,478	1,661,615
Profit before tax	151,897	93,595	60,869	45,547	37,283
Profit after tax	112,385	68,782	43,265	32,632	23,402
Basic and diluted earnings per share (GH¢ per share)	1.0211	0.6230	0.4211	0.3117	0.2706

Company	**2020**	2019	2018	2017	2016
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Revenue	2,384,158	2,618,817	2,370,975	1,848,493	1,652,250
Profit before tax	153,196	94,152	67,968	49,110	52,158
Profit after tax	113,684	69,339	50,364	36,195	38,277
Basic and diluted earnings per share (GH¢ per share)	1.0162	0.6198	0.4502	0.3235	0.3421

Report of the Directors cont'd

To the Members of Total Petroleum Ghana PLC

Financial statements and dividend

The state of affairs of the Group and Company for the year ended 31 December 2020 are set out below:

	Group	Company
	GH¢'000	GH¢'000
Profit before tax	151,897	153,196
Profit after tax	112,385	113,684
Total assets	911,771	840,495
Total liabilities	567,606	487,682
Total equity	344,165	352,813

The Directors recommend the payment of a final dividend of GH¢0.1734 per share, amounting to GH¢19,398,964 for the 2020 financial year. This brings the total dividend for the financial year to GH¢0.2424 per share, amounting to GH¢27,163,025 (2019: GH¢0.1539 per share, amounting to GH¢ 17,217,420).

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

Particulars of entries in the Interests Register during the financial year

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

Related party transactions

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

Audit Committee

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

Auditor

The Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of the Group for 15 years.

Audit fees

The audit fees for the year ended 31 December 2020 for the Group was GH¢428,000 (2019: GH¢378,000) and GH¢324,000 (2019: GH¢238,000) for the Company.

Report of the Directors cont'd

To the Members of Total Petroleum Ghana PLC

Board of Directors

Profile

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

Biographical information of directors

Age category	Number of Directors
Up to – 40 years	-
41 – 60 years	7
Above 60 years	2

Report of the Directors cont'd

To the Members of Total Petroleum Ghana PLC

Role of the Board

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

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

Internal control systems

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

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

Directors' performance evaluation

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

Professional development and training

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

Conflicts of interest

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

Board balance and independence

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

Report of the Directors cont'd

To the Members of Total Petroleum Ghana PLC

Corporate Social Responsibility and Code of Conduct

A total of GH¢670,977 (2019: GH¢649,977) was spent on Corporate Social Responsibly, with key focus on safety, education, health, entrepreneurship and others. Corporate Social Responsibility activities and extract of the Code of Conduct can be found in Appendix 2 and pages 79 to 80 respectively.

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

Approval of the report of the directors

The report of the Directors was approved by the Board of Directors on 26 March 2021 and signed on their behalf by;

…………………………………	………………………………
Eric Fanchini	Rexford Adomako-Bonsu
Director	*Director*

Independent Auditor's Report

To the Members of Total Petroleum Ghana PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Total Petroleum Ghana PLC ("the Group and Company"), which comprise the consolidated and separate statements of financial position at 31 December 2020, and the consolidated and separate 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 19 to 75.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 31 December 2020 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

Basis for Opinion

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

Key Audit Matters

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

Impairment Allowance on Trade Receivables GH¢48,308,000

Refer to Note 24 (ii) to the consolidated and separate financial statements

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

Independent Auditor's Report cont'd

To the Members of Total Petroleum Ghana PLC

Impairment Allowance on Trade Receivables GH¢48,308,000

Refer to Note 24 (ii) to the consolidated and separate financial statements

The key audit matter	How the matter was addressed in our audit
	• Evaluated the adequacy of disclosures for impairment allowance in accordance with the requirement of IFRS 9 and evaluated the accounting policies and notes in relation to trade and other receivables.

Revenue GH¢2,394,002,000

Refer to Note 6 to the consolidated and separate financial statements

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

Other Information

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

Independent Auditor's Report cont'd

To the Members of Total Petroleum Ghana PLC

Other Information - cont'd

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

Independent Auditor's Report cont'd

To the Members of Total Petroleum Ghana PLC

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

KPMG

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FOR AND ON BEHALF OF:
KPMG (ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

30 March, 2021

Statements of Financial Position

As at 31 December, 2020

		Group	Group	Company	Company
		2020	2019	2020	2019
Assets	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, plant and equipment	12(a)	361,855	360,687	286,613	283,068
Right-of-use-assets	35(a)	74,217	73,096	74,217	73,096
Intangible assets and goodwill	13	13,439	13,114	13,374	13,036
Investment in associates	15(a)	3,262	3,451	12	12
Deferred tax assets	11	4,791	-	4,791	-
Long term prepayments	36	671	1,725	671	1,725
Investment in subsidiary	15(b)	-	-	274	3,274
Related party loan	25	-	-	1,639	1,573
Total non-current assets		**458,235**	**452,073**	**381,591**	**375,784**
Inventories	16	108,836	73,233	108,337	72,754
Current tax asset	10(iii)	15,335	15,777	15,335	15,777
Trade and other receivables	17	233,186	288,749	231,543	287,657
Amounts due from related parties	25	3,985	1,686	13,328	9,683
Cash and cash equivalents	18	91,666	47,581	89,833	47,186
		453,008	427,026	458,376	433,057
Assets held for sale	12(b)	528	528	528	528
Total current assets		**453,536**	**427,554**	**458,904**	**433,585**
Total assets		**911,771**	**879,627**	**840,495**	**809,369**
Equity					
Stated capital	19(a)	51,222	51,222	51,222	51,222
Retained earnings		293,023	198,636	301,591	207,755
Foreign currency translation reserve		5,152	5,375	-	-
Non-controlling interest	33	(5,232)	(3,200)	-	-
Total equity		**344,165**	**252,033**	**352,813**	**258,977**
Liabilities					
Lease liabilities	35(b)	8,486	5,571	8,486	5,571
Bank overdraft	18	2,406	67,348	2,406	67,348
Loans and borrowings	22	10,833	11,940	-	5,188
Trade and other payables	21	331,917	402,211	329,773	399,688
Amounts due to related parties	25	140,376	64,881	129,571	57,012
Total current liabilities		**494,018**	**551,951**	**470,236**	**534,807**
Lease liabilities	35(b)	8,022	7,524	8,022	7,524
Loans and borrowings	22	56,142	61,308	-	1,250
Deferred tax liability	11	-	719	-	719
Provisions	23	1,547	1,547	1,547	1,547
Employee benefits	28(b)	7,877	4,545	7,877	4,545
Total non-current liabilities		**73,588**	**75,643**	**17,446**	**15,585**
Total liabilities		**567,606**	**627,594**	**487,682**	**550,392**
Total liabilities and equity		**911,771**	**879,627**	**840,495**	**809,369**

These financial statements were approved by the Board of Directors on 26 March 2021 and signed on their behalf by:

………………………………	………………………………..
ERIC FANCHINI	REXFORD ADOMAKO-BONSU
Director	*Director*

The notes on page 23 to 75 form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2020

	Note	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Revenue	6	2,394,002	2,628,610	2,384,158	2,618,817
Cost of sales	8	(2,045,084)	(2,346,176)	(2,039,837)	(2,341,699)
Gross profit		348,918	282,434	344,321	277,118
Other income	7	22,072	20,524	22,009	20,012
Impairment loss on trade receivables	24(ii)	(20,615)	(2,444)	(20,615)	(2,444)
General, administrative and selling expense	8	(188,994)	(186,778)	(187,631)	(185,284)
Operating profit before financing costs/ income		161,381	113,736	158,084	109,402
Finance income	32	1,895	449	1,895	449
Finance costs	32	(11,190)	(20,566)	(6,783)	(15,699)
Share of loss from associate, net of tax	15(a)	(189)	(24)	-	-
Profit before taxation	8	151,897	93,595	153,196	94,152
Income tax expense	10(i)	(39,512)	(24,813)	(39,512)	(24,813)
Profit for the year		112,385	68,782	113,684	69,339
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(405)	9,772	-	-
Related income tax		-	-	-	-
		(405)	9,772	-	-
Items that will not be reclassified to profit or loss:					
Remeasurement loss on employee benefit		(3,508)	-	(3,508)	-
Related income tax	10(ii)	877	-	877	-
		(2,631)	-	(2,631)	-
Other comprehensive income for the year		(3,036)	9,772	(2,631)	-
Total comprehensive income		**109,349**	**78,554**	**111,053**	**69,339**
Profit attributable to:					
Owners of the company		114,235	69,697	-	-
Non-controlling interest	33	(1,850)	(915)	-	-
Total comprehensive income attributed to:					
Owners of the company		111,381	75,072	-	
Non-controlling interest		(2,032)	3,482	-	-
					-
Earnings per share					
Basic earnings per share (Ghana cedi per share)	20	**1.0211**	0.6230	**1.0162**	0.6198
Diluted earnings per share (Ghana cedi per share)	20	**1.0211**	0.6230	**1.0162**	0.6198

The notes on page 23 to 75 form an integral part of these financial statements.

Statements of Changes In Equity

For The Year Ended 31 December 2020

Group	Stated Capital GH¢'000	Retained Earnings GH¢'000	Foreign Currency Translation Reserve GH¢'000	Non-Controlling Interest GH¢'000	Total Equity GH¢'000
Balance at 1 January 2020	51,222	198,636	5,375	(3,200)	252,033
Total comprehensive income for the year					
Profit for the year	-	114,235	-	(1,850)	112,385
Other comprehensive income	-	(2,631)	(223)	(182)	(3,036)
Total comprehensive income for the year	-	111,604	(223)	(2,032)	109,349
Transaction with equity holders					
Dividends (Note 19[b])	-	(17,217)	-	-	(17,217)
Total transactions with equity holders	-	(17,217)	-	-	(17,217)
Balance at 31 December 2020	**51,222**	**293,023**	**5,152**	**(5,232)**	**344,165**
Balance at 1 January 2019	51,222	145,295	-	(6,682)	189,835
Total comprehensive income for the year					
Profit for the year	-	69,697	-	(915)	68,782
Other comprehensive income	-	-	5,375	4,397	9,772
Total comprehensive income for the year	-	69,697	5,375	3,482	78,554
Transaction with equity holders					
Dividends (Note 19[b])	-	(16,356)	-	-	(16,356)
Total transactions with equity holders	-	(16,356)	-	-	(16,356)
Balance at 31 December 2019	**51,222**	**198,636**	**5,375**	**(3,200)**	**252,033**

Company	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2020	51,222	207,755	258,977
Total comprehensive income for the year			
Profit for the year	-	113,684	113,684
Other comprehensive income	-	(2,631)	(2,631)
Total comprehensive income for the year	-	111,053	111,053
Transaction with equity holders			
Dividends (Note 19[b])	-	(17,217)	(17,217)
Total transactions with equity holders	-	(17,217)	(17,217)
Balance at 31 December 2020	**51,222**	**301,591**	**352,813**
Balance at 1 January 2019	51,222	154,772	205,994
Total comprehensive income for the year			
Profit for the year	-	69,339	69,339
Total comprehensive income for the year	**-**	**69,339**	**69,339**
Transaction with equity holders			
Dividends (Note 19[b])	-	(16,356)	(16,356)
Total transactions with equity holders	-	(16,356)	(16,356)
Balance at 31 December 2019	**51,222**	**207,755**	**258,977**

The notes on page 23 to 75 form an integral part of these financial statements.

Statements of Cash Flows

For The Year Ended 31 December 2020

	Note	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Cash flows from operating activities					
Profit after taxation		112,385	68,782	113,684	69,339
Adjustments for:					
Foreign exchange gains		(1,674)	(2,956)	(976)	(1,102)
Depreciation of property, plant and equipment	12(a)	41,859	39,089	36,147	33,673
Depreciation of right-of-use-assets	35(a)	11,244	10,121	11,244	10,121
Amortisation of leasehold prepayment	14	-	249	-	249
Amortisation of intangible assets	13(a)	515	256	499	238
Amortisation of long term lease	26	-	176	-	176
Impairment loss on trade receivables	24(ii)	20,615	2,444	20,615	2,444
Inventory provision	16	202	4,202	202	4,202
Interest income	32	(1,895)	(449)	(1,895)	(449)
Interest expense	32	11,190	20,566	6,783	15,699
Tax expense	10(i)	39,512	24,813	39,512	24,813
Loss/(profit) on disposal of plant and equipment	12(a)i	177	(793)	177	(793)
Impairment of subsidiary	15(b)	-	-	3,000	1,500
Share of loss from associate	15(a)	189	24	-	-
		234,319	166,524	228,992	160,110
Change in inventories		(35,785)	2,412	(35,785)	2,412
Change in trade and other receivables		34,495	1,367	35,159	1,154
Change in trade and other payables		(70,197)	(13,781)	(69,593)	(11,377)
Change in related party balances		73,978	(12,960)	69,693	(19,693)
Change in provisions	23	-	(190)	-	(190)
Change in employee benefits		(176)	969	(176)	969
Cash generated from operations		236,634	144,341	228,290	133,385
Interest received	32	1,895	449	1,895	449
Interest paid		(7,933)	(19,054)	(5,311)	(14,050)
Income taxes paid	10(iii)	(43,703)	(26,799)	(43,703)	(26,799)
Net cash flow from operating activities		**186,893**	**98,937**	**181,171**	**92,985**
Cash flows from investing activities					
Purchase of property, plant and equipment	12(a)	(40,242)	(61,491)	(40,022)	(60,575)
Purchase of software	13(a)	(837)	(308)	(837)	(308)
Proceeds from sale of plant and equipment	12(a) i	153	1,601	153	1,601
Related party loan		-	-	-	(1,441)
Long term (prepayments)/refunds	36	700	(354)	700	(354)
Net cash flow used in investing activities		**(40,226)**	**(60,552)**	**(40,006)**	**(61,077)**
Cash flows from financing activities					
Dividend paid	19(b)	(17,217)	(16,356)	(17,217)	(16,356)
Payments for loans	22(b)	(10,608)	(10,762)	(6,250)	(5,000)
Principal elements of lease payments	35(b)	(10,259)	(10,715)	(10,259)	(10,715)
Net cash flow used in financing activities		(38,084)	(37,833)	(33,726)	(32,071)
Net increase/(decrease) in cash and cash equivalents		**108,583**	**552**	**107,439**	**(163)**
Analysis of changes in cash and cash equivalents during the year					
Cash and Cash equivalent at 1 January (Note 18)		(19,767)	(20,490)	(20,162)	(20,820)
Net increase/(decrease) in cash and cash equivalents		108,583	552	107,439	(163)
Effect of foreign exchange fluctuation on cash held		444	171	150	821
Cash and cash equivalents at 31 December (Note 18)		**89,260**	**(19,767)**	**87,427**	**(20,162)**

The notes on page 23 to 75 form an integral part of these financial statements.

Notes to the Financial Statements

For The Year Ended 31 December 2020

1. Reporting entity

Total Petroleum Ghana PLC ("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 2020 comprise the separate financial statements and the consolidated financial statements of the Company and its subsidiary, (together referred to as the 'Group') and the Group's interest in associate. The separate financial statements as at and for the year ended 31 December 2020 comprise the financial statements of the Company.

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

2. Basis of accounting

a. Statement of compliance

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

b. Basis of measurement

These financial statements have been prepared under the historical cost convention except for other long term employee benefits obligations and defined benefit obligations, recognised at the present value of the future obligations.

c. Functional and presentational currency

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

d. Use of estimates and judgement

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

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

Judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 11 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
- Note 15(b) – impairment test of investment in subsidiary: key assumptions underlying recoverable amount
- Note 23 – recognition and measurement of provisions; key assumptions about the likelihood and magnitude of an outflow of resources
- Note 24(ii) – measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions in determining the weighted-average loss rate
- Note 28 - measurement of defined benefit obligation: key actuarial assumptions

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3.1 Significant accounting policies

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

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.

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

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

(ii) Non controlling interests

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

(iii) Subsidiaries

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

(iv) Loss of control

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

(v) Interests in equity accounted investees

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

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

Interests in associates are accounted for using the equity method.

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

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

(vi) Transactions eliminated on consolidation

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

b. Financial instruments

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

b. Financial instruments cont'd

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

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

Classification and subsequent measurement

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) - debt investment; FVOCI-equity investment; or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group and Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

(ii) Financial assets - Business model assessmet

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

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

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

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

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

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

b. Financial instruments cont'd

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

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

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

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

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

Financial assets at amortised cost

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

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

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

Derecognition

(vi) Financial assets

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

(vii) Financial liabilities

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

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

(viii) Offsetting

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

b. Financial instruments cont'd

(viii) Offsetting cont'd

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

c. Impairment

Financial instruments and contract assets

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

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

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

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

The Group and Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the debtor is unlikely to pay its credit obligations to the Group and Company in full due to bankruptcy,
- there are adverse changes in the payment status of debtors;
- the financial asset is more than 90 days past due.

The Group and Company considers a debt security to have low risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

c. Impairment cont'd

Write-off

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

Non-financial assets

At each reporting date, the Group and Company review the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash flows of other assets or cash generating units (CGUs).

Goodwill arising on business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

d. Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Group and Company use the definition of a lease in IFRS 16.

Group and Company acting as a lessee

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

i) Right-of-use assets

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

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

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

d. Leases cont'd

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

ii) Lease liabilities

At the commencement date of the lease, the Group and Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and Company and payments of penalties for terminating the lease, if the lease term reflects the Group and Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

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

Group and Company acting as a lessor

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

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

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

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

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

d. Leases cont'd

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

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

(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 Company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

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

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

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

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

(iv) Capital work in progress

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

(v) Derecognition

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

f. Intangible assets and goodwill

(i) Recognition and measurement

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

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

(ii) Subsequent expenditure

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

f. Intangible assets and goodwill cont'd

(iii) Amortization

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

The estimated useful life of software is four years.

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

(iv) Derecognition

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

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

(i) Foreign currency transactions

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

(ii) Foreign operations

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

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 and Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

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

The Group and Company have the following defined contribution schemes:

Social Security and National Insurance Trust

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

i. Employee benefits cont'd

Provident fund (Defipro)

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

Termination benefits

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

Other long-term employee benefits

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

Other post-employment obligations

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

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

j. Provisions

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

k. Revenue

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

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

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

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

k. Revenue cont'd

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

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 and Company's right to receive payment is established.

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

m. Income tax

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

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3. Significant accounting policies cont'd

p. Earnings per share

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

q. Stated capital

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

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

r. 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.

s. Non-current assets held for sale

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

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

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

t. Cash and cash equivalents

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

u. Joint Operations

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

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

v. Operating profit

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

3.2. Changes in accounting policies and disclosures

3.2.1 New and amended standards and interpretations

The Group and Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group and Company have not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated and separate financial statements of the Group and Company, but may impact future periods should the Group and Company enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated and separate financial statements of, nor is there expected to be any future impact to the Group and Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated and separate financial statements of the Group and Company.

3.2.2 New standards and interpretations issued not yet effective

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

Standard/Interpretation	Effective date Periods beginning on or after
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	June 1, 2020
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2023

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

4. Determination of fair values

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

5. Segment reporting

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

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

The following describes the operations of each reportable segment.

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

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

				Group	Company	
				2020	2020	
	Network	Commercial	Others	Total	Total	
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	
Revenue	1,755,265	443,208	195,529	2,394,002	2,384,158	**
Cost of sales	(1,515,096)	(357,326)	(172,662)	(2,045,084)	(2,039,837)	**
Gross profit	240,169	85,882	22,867	348,918	344,321	
Other income				22,072	22,009	
Results before expenses and other charges				370,990	366,330	
Unallocated expenses				(209,609)	(205,246)	
Impairment of subsidiary				-	(3,000)	
Results from operating activities				161,381	158,084	
Net finance costs				(9,295)	(4,888)	
Share of loss from associate				(189)	-	
Profit before tax				151,897	153,196	
Income tax				(39,512)	(39,512)	
Profit for the year				**112,385**	**113,684**	
Total assets				**911,771**	**840,495**	
Total Liabilities				**567,606**	**487,682**	
Other segment items						
Depreciation and amortisation				**48,960**	**47,890**	

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

5. Segment reporting - cont'd

**Company 2020	Network	Commercial	Others		Total
	GH¢'000	GH¢'000	GH¢'000		GH¢'000
Revenue	1,755,265	443,208	185,685		2,384,158
Cost of sales	(1,515,096)	(357,326)	(167,415)		(2,039,837)
Gross profit	240,169	85,882	18,270		344,321

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

Company 2019

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

No single customer accounts for more than 10% of revenue.

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

6. Revenue

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Network	1,755,265	1,930,010	1,755,265	1,930,010
Commercial	443,208	508,232	443,208	508,232
Others	195,529	190,368	185,685	180,575
Gross sales value	2,394,002	2,628,610	2,384,158	2,618,817

7. Other income

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Rent income	3,838	7,548	3,838	7,573
Profit on disposal of plant and equipment	-	793	-	793
Sundry income	18,234	12,183	18,171	11,646
	22,072	20,524	22,009	20,012

Rent income represents income from rental of floor space and office spaces

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

8. Profit before taxation is stated after charging

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Cost of sales				
Inventory movement	1,058,536	1,431,287	1,058,536	1,431,287
Transportation	117,640	101,952	117,640	101,952
Import duties	748,835	696,163	748,835	696,163
Other costs**	120,073	116,774	114,826	112,297
	2,045,084	2,346,176	2,039,837	2,341,699
General, administrative and selling expense				
Personnel costs (note 9)	44,554	45,665	42,928	44,217
Auditor's remuneration	428	378	324	238
Depreciation of PPE and ROU assets	48,445	44,868	47,391	43,794
Amortisation of software and leasehold prepayment	515	505	499	487
Directors' emoluments	1,994	1,883	1,994	1,883
Donations and public relations	1,306	3,086	1,306	3,086
Technical assistance	22,970	17,006	22,970	17,006
Maintenance cost	17,016	19,819	16,889	19,684
Rental cost	5,465	4,890	5,375	4,807
Loss on disposal of plant and equipment	177	-	177	-
Other cost	46,124	48,678	47,778	50,082
	188,994	186,778	187,631	185,284

** Other costs in cost of sales for the Group include depreciation of GH¢4,657,000 (2019: GH¢4,342,000) on plant and machinery for the subsidiary.

Notes to the Financial Statements

For The Year Ended 31 December 2020

9. Personnel costs

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Wages and salaries	27,792	28,447	26,430	27,265
Social security contributions	1,825	1,737	1,793	1,707
Provident fund (Defipro)	1,376	1,302	1,376	1,302
Long service awards	705	-	705	-
Post-employment benefits	654	969	654	969
Other staff expenses	12,202	13,210	11,970	12,974
	44,554	**45,665**	**42,928**	**44,217**

Other staff expenses includes training and medical expenses. The number of persons employed by the Group and Company as at the end of the year was 207 (2019:211) and 186 (2019:190) respectively.

10. Taxation

(i) Income tax expense	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Current tax expense (note 10(ii))	44,145	26,150	44,145	26,150
Deferred tax credit (note 11)	(4,633)	(1,337)	(4,633)	(1,337)
	39,512	**24,813**	**39,512**	**24,813**

(ii) Related income tax on other comprehensive income	Group 2020	Group 2019	Company 2020	Company 2019
Items that will not be reclassified to P&L	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Deferred tax credit (note 11)	(877)	-	(877)	-

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

Group and Company

(iii) Taxation payable/(receivable)

2020	Balance at 01-Jan GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢'000	Balance at 31-Dec GH¢'000
Up to 2015	(3,660)			(3,660)
2016	(926)			(926)
2017	(2,691)			(2,691)
2018	(7,639)			(7,639)
2019	(130)			(130)
2020	-	(43,654)	44,116	462
Withholding tax	(702)	(49)		(751)
National reconstruction levy Up to 2006	(29)	-	29	-
	(15,777)	**(43,703)**	**44,145**	**(15,335)**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

10. Taxation (cont'd)

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

The above tax positions are subject to agreement with the tax authorities.
National Reconstruction Levy: This relates to a levy imposed on companies by the Government on profits before tax between 2001 and 2005. This levy has been abolished.

(iv) Reconciliation of effective tax rate

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Profit before taxation	**151,897**	**93,595**	**153,196**	**94,152**
Income tax using the domestic tax rate (25%)	37,974	23,399	38,299	23,538
Non-deductible expenses	1,538	1,414	1,213	1,275
Total tax charge	**39,512**	**24,813**	**39,512**	**24,813**
Effective tax rate	26%	27%	26%	26%

11. Deferred Taxation

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Balance at 1 January	719	2,056	719	2,056
Credit to profit or loss for the year	(4,633)	(1,337)	(4,633)	(1,337)
Credit to other comprehensive income for the year	(877)	-	(877)	-
Balance at 31 December	**(4,791)**	**719**	**(4,791)**	**719**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

11. Deferred Taxation (cont'd)

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

Group and Company

2020	Net Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Net Balance at 31 December	Deferred tax assets	Deferred tax liabilities
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, plant and equipment	11,179	1,437	-	12,616	-	12,616
Provisions	(10,198)	(5,947)	-	(16,145)	(16,145)	-
Leases	(262)	(123)	-	(385)	(385)	-
Employee benefits	-	-	(877)	(877)	(877)	-
Net tax (assets)/liabilities	**719**	**(4,633)**	**(877)**	**(4,791)**	**(17,407)**	**12,616**

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

The Group has unrecognized net deductible temporary differences, expiring between 2021 and 2023, that arose in Ghanstock Limited of GH¢10,543,337 (2019: GH¢22,759,683). Deferred tax assets of GH¢2,635,834 (2019: GH¢5,689,921) have not been recognised in respect of these deductible temporary differences as they may not be used to offset taxable profits elsewhere in the Group. Ghanstock Limited may not have taxable profit available against which the temporary differences will be utilized. There are also no other tax planning opportunities or evidence of recoverability in the near future.

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

12(a). Property, plant and equipment

Reconciliation of carrying amount

Group 2020	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 1/1/2020	108,441	363,162	12,082	16,805	49,729	550,219
Additions	89	5,748	437	814	33,154	40,242
Transfers	28,069	19,865	23	636	(48,593)	-
Disposals	(273)	(361)	(532)	(10)	-	(1,176)
Foreign Exchange difference	-	4,379	136	15	29	4,559
At 31/12/2020	**136,326**	**392,793**	**12,146**	**18,260**	**34,319**	**593,844**
Accumulated depreciation						
At 1/1/2020	33,938	134,763	8,748	12,083	-	189,532
Charge for the year	7,032	31,399	1,601	1,827	-	41,859
Released on disposals	(144)	(263)	(429)	(10)	-	(846)
Foreign Exchange difference	-	1,295	136	13	-	1,444
At 31/12/2020	**40,826**	**167,194**	**10,056**	**13,913**	**-**	**231,989**
Carrying amount at 31/12/2020	**95,500**	**225,599**	**2,090**	**4,347**	**34,319**	**361,855**

Group 2019	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 1/1/2019	98,857	294,769	11,346	14,554	39,340	458,866
Additions	2,927	13,747	430	1,674	42,713	61,491
Transfers	4,952	25,984	872	585	(32,393)	-
Disposals	(71)	(1,014)	(566)	(114)	-	(1,765)
Reclassification (Note 14)	1,776	-	-	-	-	1,776
Foreign exchange difference	-	29,676	-	106	69	29,851
At 31/12/2019	**108,441**	**363,162**	**12,082**	**16,805**	**49,729**	**550,219**
Accumulated depreciation						
At 1/1/2019	27,196	99,494	7,225	10,227	-	144,142
Charge for the year	6,118	29,200	1,907	1,864	-	39,089
Released on disposals	(56)	(448)	(360)	(93)	-	(957)
Reclassification (Note 14)	680	-	-	-	-	680
Foreign exchange difference	-	6,517	(24)	85	-	6,578
At 31/12/2019	**33,938**	**134,763**	**8,748**	**12,083**	**-**	**189,532**
Carrying amount at 31/12/2019	**74,503**	**228,399**	**3,334**	**4,722**	**49,729**	**360,687**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

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

Reconciliation of carrying amount(cont'd)

Company 2020	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 1/1/2020	108,441	257,785	11,860	16,445	49,438	443,969
Additions	89	5,748	437	814	32,934	40,022
Transfers	28,069	19,865	23	636	(48,593)	-
Disposals	(273)	(361)	(532)	(10)	-	(1,176)
At 31/12/2020	**136,326**	**283,037**	**11,788**	**17,885**	**33,779**	**482,815**
Accumulated depreciation						
At 1/1/2020	33,938	106,667	8,525	11,771	-	160,901
Charge for the year	7,032	25,714	1,601	1,800	-	36,147
Released on disposals	(144)	(263)	(429)	(10)	-	(846)
At 31/12/2020	**40,826**	**132,118**	**9,697**	**13,561**	**-**	**196,202**
Carrying amount at 31/12/2020	**95,500**	**150,919**	**2,091**	**4,324**	**33,779**	**286,613**

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

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

	Group and company	
	2020	2019
	GH¢'000	GH¢'000
Cost	1,176	1,765
Accumulated depreciation	(846)	(957)
Net book value	330	808
Sale proceeds	(153)	(1,601)
Loss or (Profit) on disposal	**177**	**(793)**

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

The balance of GH¢34,319,000 (2019:GH¢49,729,000) and GH¢33,779,000 (2019: GH¢49,438,000) for Group and Company respectively relates to the construction of new service stations, major renovations to existing service stations and other constructions.

12(a) iii. Security

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

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

12(b). Assets held for sale

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

- The Board of Directors of the Group approved the plan to sell on 29 May 2018.
- The properties are available for immediate sale and can be sold to the buyer in their current condition.
- Management is still committed to a plan to sell the assets as these assets are being actively marketed.

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

	Group and company	
	2020	2019
	GH¢'000	GH¢'000
Cost	721	721
Accumulated depreciation	(193)	(193)
Net book value	**528**	**528**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

13. Intangible assets and goodwill

	Group		Company	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Software (Note 13[a])	1,356	1,031	1,291	953
Goodwill (Note 13[b])	12,083	12,083	12,083	12,083
	13,439	**13,114**	**13,374**	**13,036**

(a) Software

Group	2020	2019
Cost	GH¢'000	GH¢'000
Balance at 1 January	3,391	3,030
Additions	837	308
Exchange difference	9	53
Balance at 31 December	**4,237**	**3,391**
Amortisation		
Balance at 1 January	2,360	2,092
Amortsation for the year	515	256
Exchange difference	6	12
Balance at 31 December	**2,881**	**2,360**
Carrying amount at 31 December	**1,356**	**1,031**
Company		
Cost		
Balance at 1 January	3,200	2,892
Additions	837	308
Balance at 31 December	**4,037**	**3,200**
Amortisation		
Balance at 1 January	2,247	2,009
Amortsation for the year	499	238
Balance at 31 December	**2,746**	**2,247**
Carrying amount at 31 December	**1,291**	**953**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

13. Intangible assets and goodwill cont'd

(b) Goodwill

	Group and company	
	2020	2019
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 Mobil Ghana Limited in 2006. The Group and Company consider internal and external sources of information when reviewing for indicators of impairment. As at 31 December 2020, there were no factors indicating a potential impairment of goodwill.

14. Leasehold prepayments

	Group and company	
	2020	2019
Cost	GH¢'000	GH¢'000
Balance at 1 January	-	6,231
Recognition of Right-of-use assets on transition	-	(4,455)
Adjusted Balance at 1 January	-	1,776
Additions	-	-
Reclassification to PPE**	-	(1,776)
Balance at 31 December	-	-
Amortisation		
Balance at 1 January	-	652
Amortisation associated with Right-of-use assets on transition	-	(221)
Adjusted Balance at 1 January	-	431
Amortisation for the year	-	249
Reclassification to PPE**	-	(680)
Balance at 31 December	-	-
Carrying amount at 31 December	-	-

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

15. Investment in associates and subsidiaries

(a) Associates

	Group		Company	
	2020 GH¢'000	2019 GH¢'000	2020 GH¢'000	2019 GH¢'000
Investments in associated companies				
Ghana Bunkering Services Limited (GBS)	3,451	3,475	12	12
Road Safety Limited (RSL) *	-	-	-	-
Share of profit from GBS	(189)	(24)	-	-
	3,262	**3,451**	**12**	**12**

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

Investments in associates represent investments in:

Ghana Bunkering Services Limited (GBS)

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

	2020 GH¢'000	2019 GH¢'000
Percentage ownership interest	48.5%	48.5%
Non- current assets	4,137	4,556
Current assets	3,909	3,676
Non-current liabilities	(267)	(200)
Current liabilities	(1,054)	(916)
Net assets	6,725	7,116
Carrying amount of interest in associate (48.5%)	**3,262**	**3,451**
Revenue	1,292	1,276
Loss from operations	(390)	(50)
Group's share of total loss from operations (48.5%)	**(189)**	**(24)**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

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

(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	2020 GH¢'000	2019 GH¢'000	2020	2019
Gross investment in subsidiary	3,274	4,774	55%	55%
Impairment	(3,000)	(1,500)		
Recoverable amount	274	3,274		

As at the end of the current year, the subsidiary, Ghanstock's, net liability position was GH¢ 11,626,000 which exceeded the Company's investment in the subsidiary of GH¢3,274,000. The recoverable amount of the subsidiary of GH¢274,000 as at 31 December 2020, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows was updated to reflect the current economic conditions of the subsidiary. The post-tax discount rate applied to cash flow projections is 20.9% and cash flows beyond the five-year period were extrapolated using an average rate of 10.8% growth rate (and 6% after the forecast period) that is the same as the long-term average growth rate for entities in the same industry as the subsidiary. As a result of this analysis, management has recognised an impairment charge of GH¢3,000,000 (2019: GH¢1,500,000) which is recorded within general, administrative and selling expenses in the statement of profit or loss.

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

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

- EBITDA: This is based on average values achieved in the three years preceding the beginning of the budget period. In 2020, the EBITDA for the subsidiary was 13.97%. This was increased over the budget period for anticipated efficiency improvements. An average in the EBITDA over the five year period of 56.6% per annum was applied.
- Discount rates: Discount rates represent the current market assessment of the risks specific to the subsidiary, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the subsidiary and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the subsidiary's investors. The cost of debt is based on the interest-bearing borrowings the subsidiary is obliged to service.
- General price inflation: Estimates are obtained from published indices from official sources. Management has considered the possibility of greater-than-forecast increases in general price inflation. Forecast price inflation lies within a range of 6% to 8%.
- Growth rates used to extrapolate cash flows beyond the forecast period: Rates are based on the projected increase in utilisation capacity. Management recognises that the possibility of new entrants can have a significant impact on growth rate assumptions.

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

16. Inventories

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Trading				
Lubricants	38,023	37,094	38,023	37,094
Bitumen	7,982	1,511	7,982	1,511
Fuel	11,651	1,577	11,651	1,577
Additives	31,409	23,401	31,409	23,401
Stock in transit	10,737	1,455	10,737	1,455
Special fluid	2,240	2,266	2,240	2,266
	102,042	**67,304**	**102,042**	**67,304**
Non-Trading				
Consumables	2,534	3,070	2,035	2,591
Packing materials	4,260	2,859	4,260	2,859
	108,836	**73,233**	**108,337**	**72,754**

Inventories of GH¢1,058,536,000 (2019: GH¢1,431,287,000) were recognized as an expense during the year for the Company. These are included in cost of sales.

Inventories have been reduced by GH¢4,404,000 (2019: GH¢4,202,000) as result of the write-down to net realisable value. The write-down recognised as an expense during 2020 was GH¢202,000 (2019: GH¢4,202,000)

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

17. Trade & other receivables

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Trade receivables	199,594	254,438	198,527	253,860
Other receivables	29,148	31,033	28,663	30,676
Prepayments	4,444	3,278	4,353	3,121
	233,186	**288,749**	**231,543**	**287,657**

The maximum amount due from staff during the year for the Group was approximately GH¢3,127,572 (2019: GH¢2,525,054) and for the Company GH¢3,098,510 (2019: GH¢2,520,054). These amounts are included in other receivables. Information about the Group and Company exposure to credit and market risk and impairment loss for trade and other receivable is included in note 24(ii).

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

18. Cash and cash equivalent

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Cash at hand**	4	1	-	-
Cash at bank	91,662	47,580	89,833	47,186
Cash and bank balances	91,666	47,581	89,833	47,186
Bank overdrafts used for cash management	(2,406)	(67,348)	(2,406)	(67,348)
Cash and cash equivalents in statement of cash flows	**89,260**	**(19,767)**	**87,427**	**(20,162)**

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

19 (a). Stated capital

	Group and Company 2020 No. of shares	Group and Company 2020 GH¢'000 Proceeds	Group and Company 2019 No. of shares	Group and Company 2019 GH¢'000 Proceeds
Authorised:				
Ordinary Shares of no par value	**250,000,000**		**250,000,000**	
Issued and fully paid				
For cash	610,000	22	610,000	22
For consideration other than cash	10,069,259	49,694	10,069,259	49,694
Capitalisation issue	101,194,813	1,506	101,194,813	1,506
	111,874,072	**51,222**	**111,874,072**	**51,222**

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

19 (b). Dividend

The following dividends were declared and paid during the year.

	Group and Company 2020 GH¢'000	Group and Company 2019 GH¢'000
Final dividend for 2019: GH¢0.0845 per share (2018: GH¢0.0768 per share)	9,453	8,592
Interim dividend for 2020: GH¢0.0694 per share (2019: GH¢0.0694 per share)	7,764	7,764
	17,217	**16,356**

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

19 (b). Dividend (cont'd)

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

	Group and Company	
	2020	2019
	GH¢'000	GH¢'000
Dividend proposed	19,399	9,453

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

20. Earnings per share

Basic

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

	Group 2020	Group 2019	Company 2020	Company 2019
Profit attributable to equity holders of the Company (expressed in GH¢'000)	114,235	69,697	113,684	69,339
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)	1.0211	0.6230	1.0162	0.6198
Diluted earnings per share (expressed in GH¢ per share)	1.0211	0.6230	1.0162	0.6198

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 2020 and 2019, the Group and Company had no dilutive potential ordinary shares.

21. Trade and other payables

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Trade payables	198,341	213,810	197,355	212,596
Non-trade payables	121,636	179,112	120,966	178,060
Accrued expenses	11,940	9,289	11,452	9,032
	331,917	402,211	329,773	399,688

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

22. Loans and borrowings

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Current				
Secured bank loans	10,833	6,752	-	-
Unsecured bank loans	-	5,188	-	5,188
	10,833	**11,940**	**-**	**5,188**
Non-current				
Secured bank loans	56,142	60,058	-	-
Unsecured bank loans	-	1,250	-	1,250
	56,142	**61,308**	**-**	**1,250**

a. Terms and debt repayment schedule

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

Group

	Nominal interest	Currency	Year of maturity	31-Dec-20 Carrying value GH¢'000	Fair value GH¢'000
Secured bank loan	5.99%	US$	2027	66,975	79,989
Unsecured bank loan	18.00%	GH¢	2021	-	-

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

The secured loan is an Absa Bank Ghana Limited facility obtained for the construction of a Tank Farm at Takoradi, Ghana. The tenure of the loan is 9 years with interest pegged at 5.75% plus 3 months libor.

The facility has the following as security:

- Corporate guarantee of GH¢32,694,999 from Total Petroleum Ghana PLC.
- Corporate guarantee of GH¢26,750,454 from Fueltrade Limited.
- Fixed and floating charge debenture in Absa Bank's standard form covering the Tank Farm with a carrying amount of GH¢20,330,499.
- Charge of GH¢8,800,000 over Total Petroleum Ghana PLC's land with property title WR.412/13 situated at Takoradi, Ghana.

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

22. Loans and borrowings cont'd

Company

	Nominal interest	Currency	Year of maturity	31-Dec-20 Carrying value GH¢'000	Fair value GH¢'000
Unsecured bank loan	18.00%	GH¢	2021	-	-

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

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

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

2020 Group	**Lease liabilities GH¢'000**	**Loans and borrowings GH¢'000**	**Retained earnings GH¢'000**	**Total GH¢'000**
Balance at 1 January 2020	13,095	73,248	198,636	284,979
Changes from financing cash flows				
Repayment of loan	-	(10,608)	-	(10,608)
Dividend paid	-	-	(17,217)	(17,217)
Principal elements for lease payments	(10,259)	-	-	(10,259)
Total changes from financing cash flows	(10,259)	(10,608)	(17,217)	(38,084)
The effect of changes in foreign exchange rates	-	2,739	-	2,739
Other changes				
New leases	12,011	-	-	12,011
Interest expense	2,542	5,003	-	7,545
Interest paid	(881)	(3,407)	-	(4,288)
Total liability-related other changes	13,672	1,596	-	15,268
Total equity-related other changes	-	-	111,604	111,604
Balance at 31 December 2020	**16,508**	**66,975**	**293,023**	**376,506**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

22. Loans and borrowings cont'd

2019 Group	Lease liabilities GH¢'000	Loans and borrowings GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
Balance at 1 January 2019	-	73,329	145,295	218,624
Changes from financing cash flows				
Repayment of loan	-	(10,762)	-	(10,762)
Dividend paid	-	-	(16,356)	(16,356)
Principal elements for lease payments	(10,715)	-	-	(10,715)
Total changes from financing cash flows	(10,715)	(10,762)	(16,356)	(37,833)
The effect of changes in foreign exchange rates	-	10,987	-	10,987
Other changes				
New leases	21,994	-	-	21,994
Interest expense	2,479	6,422	-	8,901
Interest paid	(663)	(6,728)	-	(7,391)
Total liability-related other changes	23,810	(306)	-	23,504
Total equity-related other changes	-	-	69,697	69,697
Balance at 31 December 2019	**13,095**	**73,248**	**198,636**	**284,979**

2020 Company	Lease liabilities GH¢'000	Loans and borrowings GH¢'000	Retained earnings GH¢'000	Total GH¢'000
Balance at 1 January 2020	13,095	6,438	207,755	227,288
Changes from financing cash flows				
Repayment of loan	-	(6,250)	-	(6,250)
Dividend paid	-	-	(17,217)	(17,217)
Principal elements for lease payments	(10,259)	-	-	(10,259)
Total changes from financing cash flows	(10,259)	(6,250)	(17,217)	(33,726)
The effect of changes in foreign exchange rates	-	-	-	-
Other changes				
New leases	12,011	-	-	12,011
Interest expense	2,542	597	-	3,139
Interest paid	(881)	(785)	-	(1,666)
Total liability-related other changes	13,672	(188)	-	13,484
Total equity-related other changes	-	-	111,053	111,053
Balance at 31 December 2020	**16,508**	**-**	**301,591**	**318,099**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

22. Loans and borrowings cont'd

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

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

23. Provision

	Group and Company	
	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	1,547	1,737
Payments made during the year	-	(190)
	1,547	**1,547**

The outstanding provision represents legal provision of GH¢1,547,000 (2019: GH¢1,547,000).The provision has been estimated based on historical outcome of legal cases. The Group and Company is uncertain about the timing of any cash outflow.

24. Financial instruments

(i) Overview

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

1. Credit risk
2. Liquidity risk
3. Market risk

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

Risk management framework

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

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

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

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

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

(ii) Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers. The Group and Company evaluate the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located across the country and in several industries or sectors.

Exposure to credit risk

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

Trade receivables

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

Impairment analysis

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

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

Group 2020	Weighted average loss rate %	Gross carrying amount GH¢'000	Loss allowance GH¢'000	Credit impaired
Neither past due nor impaired(less than 30 days)	0.000%	107,907	-	No
Past due (30 - 90 days)	4.767%	93,118	4,439	No
Past due more than 90 days	93.584%	46,877	43,869	Yes
		247,902	**48,308**	

Group 2019	Weighted average loss rate %	Gross carrying amount GH¢'000	Loss allowance GH¢'000	Credit impaired
Neither past due nor impaired(less than 30 days)	0.51%	204,662	1,045	No
Past due (30- 90 days)	0.74%	31,860	235	No
Past due more than 90 days	57.91%	45,609	26,413	Yes
		282,131	**27,693**	

Company 2020	Weighted average loss rate %	Gross carrying amount GH¢'000	Loss allowance GH¢'000	Credit impaired
Neither past due nor impaired(less than 30 days)	0.0000%	106,840	-	No
Past due (30- 90 days)	4.7670%	93,118	4,439	No
Past due more than 90 days	93.5838%	46,877	43,869	Yes
		246,835	**48,308**	

Company 2019	Weighted average loss rate %	Gross carrying amount GH¢'000	Loss allowance GH¢'000	Credit impaired
Neither past due nor impaired(less than 30 days)	0.51200%	204,084	1,045	No
Past due (30- 90 days)	0.73800%	31,860	235	No
Past due more than 90 days	57.9120%	45,609	26,413	Yes
		281,553	**27,693**	

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

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

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

	Group and Company	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	27,693	25,249
Impairment loss recognised in profit or loss	20,615	2,444
Balance at 31 December	48,308	27,693

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.

Other receivables

The Group and Company's exposure to credit risk in respect of other receivables is minimal. The Group and Company have transacted business with these non trade customers over the years.

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¢ 91,666,000 (2019: GH¢47,581,000) at the reporting date with banks which are assessed as having a relatively good credit rating.

Company

The Company held cash and cash equivalents of GH¢89,833,000 (2019: GH¢47,186,000) at the reporting date with banks which are assessed as having a relatively good credit rating.

Amounts due from related parties

The Group and Company's exposure to credit risk in respect of amounts due from related parties is minimized. The Group and 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 and Company either do 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 and Company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

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

(a) Ecobank Ghana Limited

The Company has an unsecured overdraft facility not exceeding GH¢13 million with Ecobank to finance the Company's receivables, additions to inventories and other operational bills. The facility expires on 31 March 2021.

(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. The facility expires on 31 December 2021.

(c) Societe Generale Ghana Limited

The Company has an unsecured overdraft facility of GH¢22 million with Societe Generale Ghana Limited to augment working capital. The facility expires on 31 December 2021.

(d) Absa Bank Ghana Limited

(i) The Company has an unsecured overdraft facility of GH¢10 million with Absa Bank Ghana Limited to finance working capital. The is a revolving facility with no maturity.

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

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

(e) Stanbic Bank Limited

The Company has an unsecured overdraft facility of GH¢18 million with Stanbic Bank Limited to finance working capital. This is a revolving facility with no maturity.

(f) GCB Bank Limited

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

(g) United Bank for Africa (UBA)

The Company has an unsecured overdraft facility of GH¢10 million with UBA to finance working capital. The facility expires on 28th February 2021.

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 2020	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	66,975	92,201	11,954	21,825	46,100	12,322
Lease liabilities	16,508	29,185	5,631	4,215	8,184	11,155
Amounts due to related parties	140,376	140,376	140,376	-	-	-
Bank overdrafts	2,406	2,406	2,406	-	-	-
Trade and other payables**	327,046	327,046	327,046	-	-	-
	553,311	**591,214**	**487,413**	**26,040**	**54,284**	**23,477**

Group 2019						
Non-derivative financial liabilities						
Loans and borrowings	73,248	95,659	17,080	11,204	33,564	33,811
Lease liabilities	13,095	28,171	4,494	2,842	8,526	12,309
Amounts due to related parties	64,881	64,881	64,881	-	-	-
Bank overdrafts	67,348	67,348	67,348	-	-	-
Trade and other payables**	397,600	397,600	397,600	-	-	-
	616,172	**653,659**	**551,403**	**14,046**	**42,090**	**46,120**

**- Excluded from the Group's trade and other payables is statutory payables of GH¢4,871,000 (2019: GH¢4,611,000)

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

Company 2020	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	-	-	-	-	-	-
Lease liabilities	16,508	29,185	5,631	4,215	8,184	11,155
Amounts due to related parties	129,571	129,571	129,571	-	-	-
Bank overdrafts	2,406	2,406	2,406	-	-	-
Trade and other payables**	325,265	325,265	325,265	-	-	-
	473,750	**486,427**	**462,873**	**4,215**	**8,184**	**11,155**

Company						
2019						
Non-derivative financial liabilities						
Loans and borrowings	6,438	7,096	5,789	1,307	-	-
Lease liabilities	13,095	28,171	4,494	2,842	8,526	12,309
Amounts due to related parties	57,012	57,012	57,012	-	-	-
Bank overdrafts	67,348	67,348	67,348	-	-	-
Trade and other payables**	395,222	395,222	395,222	-	-	-
	539,115	**554,849**	**529,865**	**4,149**	**8,526**	**12,309**

**- Excluded from the Company's trade and other payables is statutory payables of GH¢4,508,000 (2019: GH¢4,466,000).

(iv) Market risks

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

Foreign currency risk

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

Exposure to currency risk

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

Group

31 December 2020	EURO €'000	USD $'000	CFA CFA'000	CHF CHF'000	GBP £'000
Trade and other payables	(453)	(8,534)	(1,565)	-	(11)
Amounts due to related parties	(1,162)	(10,102)	(13,360)	(138)	-
Loans and borrowings	-	(11,237)	-	-	-
Bank overdraft	-	(350)	-	-	-
Cash and cash equivalents	122	6,925	-	-	-
Amount due from related parties	146	555	-	-	-
Trade and other receivables	61	4,362	-	-	-
Gross exposure	**(1,286)**	**(18,381)**	**(14,925)**	**(138)**	**(11)**

Group

31 December 2019	EURO €'000	USD $'000	CFA CFA'000	CHF CHF'000	GBP £'000
Trade and other payables	(611)	(4,672)	(1,186)	-	(3)
Amounts due to related companies	(1,369)	(5,631)	(14,474)	(28)	-
Loans and borrowings	-	(11,681)	-	-	-
Cash and cash equivalents	117	2,140	-	-	-
Amount due from related companies	124	594	-	-	-
Trade and other receivables	188	6,120	-	-	-
Gross exposure	**(1,551)**	**(13,130)**	**(15,660)**	**(28)**	**(3)**

Company

31 December 2020	EURO €'000	USD $'000	CFA CFA'000	CHF CHF'000	GBP £'000
Related party loan	-	275	-	-	-
Trade and other payables	(453)	(8,293)	(1,565)	-	(11)
Amounts due to related parties	(1,162)	(9,899)	(13,360)	(138)	-
Bank overdraft	-	(350)	-	-	-
Cash and cash equivalents	122	6,719	-	-	-
Amount due from related parties	146	816	-	-	-
Trade and other receivables	61	4,107	-	-	-
Gross exposure	**(1,286)**	**(6,625)**	**(14,925)**	**(138)**	**(11)**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

Exposure to currency risk cont'd

Company

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

The following exchange rates applied during the year:

	Average Rate		Reporting Rate	
	2020	2019	2020	2019
Ghana Cedi:				
Euro 1	6.6924	6.0915	7.3904	6.4685
USD 1	5.8103	5.4074	5.9600	5.7200
CFA 1	0.0099	0.0090	0.0106	0.0098
CHF 1	6.1807	5.4411	6.7673	5.9071
GBP 1	7.5103	6.9411	8.1795	7.5634

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.

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

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

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

Group

At 31 December	2020			2019		
	% Change	Strengthening: Impact on equity and profit or loss - increase/ (decrease)	Weakening: Impact on equity and profit or loss - increase/ (decrease)	% Change	Strengthening: Impact on equity and profit or loss - increase/ (decrease)	Weakening: Impact on equity and profit or loss - increase/ (decrease)
Euro	10%	129	(129)	6%	567	(567)
US$	3%	552	(552)	7%	4,969	(4,969)
CFA	12%	1,791	(1,791)	9%	13	(13)
CHF	9%	12	(12)	9%	14	(14)
GBP	9%	1	(1)	12%	2	(2)

Company

At 31 December	2020			2019		
	% Change	Strengthening: Impact on equity and profit or loss - increase/ (decrease)	Weakening: Impact on equity and profit or loss - increase/ (decrease)	% Change	Strengthening: Impact on equity and profit or loss - increase/ (decrease)	Weakening: Impact on equity and profit or loss - increase/ (decrease)
Euro	10%	129	(129)	6%	567	(567)
US$	3%	199	(199)	7%	422	(422)
CFA	12%	1,791	(1,791)	9%	13	(13)
CHF	9%	12	(12)	9%	14	(14)
GBP	9%	1	(1)	12%	2	(2)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's long-term debt obligations with floating interest rates.

The Group and Company manage interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

Interest rate risk cont'd

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	2020 Increase GH¢'000	2020 Decrease GH¢'000	2019 Increase GH¢'000	2019 Decrease GH¢'000
Interest income impact	174	(174)	228	(228)
Interest expense impact	(694)	694	(1,406)	1,406
	(520)	**520**	**(1,178)**	**1,178**

Company	2020 Increase GH¢'000	2020 Decrease GH¢'000	2019 Increase GH¢'000	2019 Decrease GH¢'000
Interest income impact	174	(174)	228	(228)
Interest expense impact	(24)	24	(738)	738
	150	**(150)**	**(510)**	**510**

Accounting classifications and fair values

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

Trade and other receivables (Financial asset at amortised cost)

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 (Other financial liabilities)

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.

Amounts due from related parties (Financial asset at amortised cost)

The fair value of amounts due from related parties is estimated as the present value of future cash flows, discounted at the market rates of interest at the reporting date.

Amounts due to related parties (Other financial liabilities)

The fair value of amounts due to related parties 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 (Financial asset at amortised cost)

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 (Other financial liabilities)

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

Lease liabilities (Other financial liabilities)

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

24. Financial instruments cont'd

Fair values versus carrying amounts

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

	Group 2020		Group 2019		Company 2020		Company 2019	
	Carrying amount GH¢'000	Fair value GH¢'000	Carrying amount GH¢'000	Fair value GH¢'000	Carrying amount GH¢'000	Fair value GH¢'000	Carrying amount GH¢'000	Fair value GH¢'000
(i) Financial assets (Amortized cost)								
Related party loan	-	-	-	-	1,639	941	1,573	828
Trade and other receivables*	228,742	228,742	285,471	285,471	227,190	227,190	284,536	284,536
Amounts due from related parties	3,985	3,985	1,686	1,686	13,328	13,328	9,683	9,683
Cash and cash equivalents	91,666	91,666	47,581	47,581	89,833	89,833	47,186	47,186
Total financial assets	**324,393**	**324,393**	**334,738**	**334,738**	**331,990**	**331,292**	**342,978**	**342,233**
(ii) Financial liabilities (Other financial liabilities)								
Loans and borrowings	66,975	79,989	73,248	73,580	-	-	6,438	6,299
Lease liabilities	16,508	16,508	13,095	13,095	16,508	16,508	13,095	13,095
Trade and other payables	327,046	327,046	397,600	397,600	325,265	325,265	395,222	395,222
Amounts due to related parties	140,376	140,376	64,881	64,881	129,571	129,571	57,012	57,012
Bank overdraft	2,406	2,406	67,348	67,348	2,406	2,406	67,348	67,348
Total financial liabilities not measured at fair value	**553,311**	**566,325**	**616,172**	**616,504**	**473,750**	**473,750**	**539,115**	**538,976**

* Excluded from the Group and Company's trade and other receivables is prepayment of GH¢4,444,000 (2019: GH¢3,278,000) and GH¢4,353,000 (2019: GH¢3,121,000) respectively.

25. Related party transactions

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

(ii) Chemical additives, bitumen and consumables costing GH¢167,860,168 (2019: GH¢120,542,155) were procured from Total Outre Mer S. A. during the year.

(iii) Included in general and administrative expenses is an amount of GH¢ 19,161,657 (2019: GH¢13,382,122) in respect of technical assistance fee payable to Total Outre Mer S. A. and GH¢2,749,256 (2019: GH¢2,481,438) in respect of research and development fees to Total Marketing Services.

(iv) Total compensation due to key management personnel of the Group and Company was GH¢7,440,621 (2019: GH¢5,603,447) and GH¢6,529,609 (2019: GH¢5,294,152) respectively.

The compensation of the Group and Company's directors includes salaries, allowances and contribution to defined contribution pension scheme. Amounts due from key management personnel was GH¢192,000 (2019: GH¢109,692).

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

25. Related party transactions cont'd

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

Amount due from related parties	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Ghanstock (subsidiary)	-	-	10,134	8,051
Total Outre Mer	-	-	-	-
Other related parties*	3,985	1,686	3,194	1,632
Current	**3,985**	**1,686**	**13,328**	**9,683**
Ghanstock (subsidiary)	-	-	1,639	1,573
Non-current**	-	-	**1,639**	**1,573**
Amount due to related parties				
Total Outre Mer	87,228	43,109	87,228	43,109
Other related parties*	53,148	21,772	42,343	13,903
	140,376	**64,881**	**129,571**	**57,012**

*These are parties related by common shareholding and directorship.

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

** The non-current amount due from related parties represents a loan facility of US$275,000 granted to Ghanstock in 2019 to enable it meet one of the conditions for restructuring the secured loan (refer to Note 22). The facility has the following terms and conditons.

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

26. Long term leases

	Group and Company	
	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	-	52,775
Additions for the year	-	-
Amortisation for the year	-	(176)
Recognition of Right-of-use assets on transition	-	(51,228)
Current portion of long term leases	-	-
Reclass to long term prepayments	-	(1,371)
Balance at 31 December	-	-

27. Capital commitment

Commitments for capital expenditure at the reporting date were:

	Group and Company	
	2020 GH¢'000	2019 GH¢'000
Capital commitment	**3,840**	**1,293**

This is in respect of the construction and refurbishment of fuel stations

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

28. Employee benefits

(a) 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:

	2020 GH¢'000	2019 GH¢'000
Group	1,825	1,737
Company	1,793	1,707

(ii) Provident Fund (Defipro)

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

	2020 GH¢'000	2019 GH¢'000
Group and Company	1,376	1,302

(b) Defined Benefit Plans	Group and Company	
	2020 GH¢'000	2019 GH¢'000
Long service awards (Note 28[b(i)])	1,553	1,176
Post-employment medical benefits (Note 28[b(ii)])	6,324	3,369
	7,877	4,545

(i) Long service awards

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

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

- The projection of each future milestone cost cash flows, taking into account probabilities of survival, withdrawal, early retirement and death in service.
- Increasing the projected cash flows in line with expected rate of salary increase.
- Discounting these cash flows in order to express liabilities in current Cedi terms

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

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

28. Employee benefits cont'd

(i) Long service awards cont'd

The amounts recognised in the statement of financial position and the movements in the obligation over the year are as follows:

	Group and Company	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	1,176	1,176
Included in profit or loss		
Current service cost	112	-
Past service cost	-	-
Interest expense	250	-
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
- demographic assumptions	160	-
- financial assumptions	168	-
- experience adjustment	15	-
	705	-
Other		
Benefits paid	(328)	-
	(328)	-
Balance at 31 December	**1,553**	**1,176**

Actuarial assumptions

The following were the principal actuarial assumptions.

	2020	2019
Discount rate	20.00%	22.20%
Consumer price Inflation (CPI)	10%	8%
Salary inflation	11%	11%
Retirement age	60 years	60 years
Withdrawals factor	1%	1%
Mortality adjustment for females	10%	10%
Mortality adjustment for males	20%	20%

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

28. Employee benefits cont'd

(i) Long service awards cont'd

Assumptions regarding pre-retirement mortality used is S/A Mortality Table Unisex 85-90. This table has been adjusted based on the Ghanaian life expectancy using the mortality adjustment factor.

Sensitivity Analysis

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

	31-Dec-20		31-Dec-19	
	Increase	Decrease	Increase	Decrease
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Discount rate (1% movement)	(81)	88	(47)	51
Retirement age (1 year movement)	107	(108)	107	(108)

(ii) Post-employment medical benefits

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

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

- The projection of future post-retirement medical cash flows, taking into account probabilities of survival, withdrawal, early retirement and death-in-service of active members; and probabilities of survival for retired members and beneficiaries.
- Increasing the projected subsidy cash flows in line with expected long term medical inflation.
- Discounting these cash flows in order to express liabilities in current Cedi terms.

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

The amounts recognised in the statement of financial position and the movements in the obligation over the year are as follows:

	Group and Company	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	3,369	2,400
Included in profit or loss		
Current service cost	126	969
Past service cost	-	-
Interest expense/(income)	528	-
	654	969
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
- demographic assumptions	216	-
- financial assumptions	147	-
- experience adjustment	3,145	-
	3,508	-
Other Benefits paid	(1,207)	-
	(1,207)	-
Balance at 31 December	**6,324**	**3,369**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

28. Employee benefits cont'd

(ii) Post-employment medical benefits cont'd

The following were the principal actuarial assumptions

	2020	2019
Discount rate	20.00%	15.13%
Medical inflation	12%	9%
Active employees with spouse at retirement	70%	80%
Retirement age	60 years	60 years
Withdrawals factor	1%	1%
Mortality adjustment for females	10%	10%
Mortality adjustment for males	20%	20%

Assumptions regarding mortality used are based on S/A Mortality Table Unisex 85-90 for pre-retirement mortality and SSNIT 96-00 Mortality Study for post-retirement mortality. These tables have been adjusted based on the Ghanaian life expectancy using the mortality adjustment factor.

Sensitivity Analysis

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

	31-Dec-20		31-Dec-19	
	Increase	Decrease	Increase	Decrease
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Discount rate (1% movement)	(467)	543	(590)	695
Medical inflation (1% movement)	547	(474)	697	(605)

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 adjusted net debt to equity at the reporting date was as follows:

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Total liabilities	567,606	627,594	487,682	550,392
Less: Cash and cash equivalents	91,666	47,581	89,833	47,186
Net debt	475,940	580,013	397,849	503,206
Total equity	344,165	252,033	352,813	258,977
Net debt to equity ratio	**1.38**	**2.30**	**1.13**	**1.94**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

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 2020 (2019: Nil).

31. Going concern

The Group's current liabilities exceeded its current assets by GH¢40,482,000 (2019: GH¢124,397,000) at year ended 31 December 2020. As at that date, the Company's current liabilities also exceeded its current assets by GH¢11,332,000 (2019: GH¢101,222,000).

The Group and Company have revolving credit lines with its banks. The Directors have negotiated and successfully renewed the overdraft facilities with its bankers. Both the Group and Company have a history of profitability and continue to remain profitable. The Directors believe that the Group and Company will be able to realise its assets and settle its liabilities in the ordinary course of business.

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

32. Finance cost and income

	Group 2020 GH¢'000	Group 2019 GH¢'000	Company 2020 GH¢'000	Company 2019 GH¢'000
Bank interest earned	1,895	449	1,895	449
Interest on loans and borrowings	11,190	20,566	6,783	15,699

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.

	2020 GH¢'000	2019 GH¢'000
Percentage ownership interest	45%	45%
Non-current assets	75,307	77,697
Current assets	4,765	2,019
Non-current liabilities	(56,142)	(60,058)
Current liabilities	(35,556)	(26,768)
Net assets	(11,626)	(7,110)
Net assets attributable to NCI	(5,232)	(3,200)
Revenue	9,853	9,793
Loss	(4,110)	(2,033)
OCI	-	-
Loss allocated to NCI	(1,850)	(915)
OCI allocated to NCI	-	-
Cash flows from operating activities	5,722	7,438
Cash flows from investments activities	(220)	(915)
Cash flows from financing activities	(4,358)	(5,762)
Net increase/(decrease) in cash and cash equivalents	1,144	761

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

34. Joint User Hydrant Installation (JUHI)

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

35. Leases

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

The Group and Company also have certain leases of leasehold properties with lease terms of 12 months or less. The Group and Company applied the 'short-term lease' recognition exemption for these leases.

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

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

Group and Company 2020	Leasehold properties GH¢'000	Motor vehicles GH¢'000	Other Equipment GH¢'000	Total GH¢'000
Cost				
As at 1 January 2020	73,402	9,259	556	83,217
Additions	7,235	4,776	-	12,011
Reclass from long term prepayments	354	-	-	354
As at 31 December 2020	80,991	14,035	556	95,582
Accumulated depreciation				
As at 1 January 2020	6,516	3,340	265	10,121
Charge for the year	7,584	3,369	291	11,244
As at 31 December 2020	14,100	6,709	556	21,365
Carrying amount at 31 December 2020	**66,891**	**7,326**	**-**	**74,217**

Group and Company 2019	Leasehold properties GH¢'000	Motor vehicles GH¢'000	Other Equipment GH¢'000	Total GH¢'000
Cost				
As at 1 January 2019 (transition)	66,587	7,099	-	73,686
Additions	6,815	2,160	556	9,531
As at 31 December 2019	73,402	9,259	556	83,217
Accumulated depreciation				
As at 1 January 2019 (transition)	-	-	-	-
Depreciation expense	6,516	3,340	265	10,121
As at 31 December 2019	6,516	3,340	265	10,121
Carrying amount at 31 December 2019	**66,886**	**5,919**	**291**	**73,096**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

35. Leases cont'd

35 (b). Leases liabilities

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

	Group and Company	
	2020	2019
	GH¢'000	GH¢'000
As at 1 January	13,095	12,487
Additions	12,011	9,507
Accretion of interest	2,542	2,479
Payments	(11,140)	(11,378)
As at 31 December	**16,508**	**13,095**
Current	**8,486**	**5,571**
Non-current	**8,022**	**7,524**

The Group and Company had total cash outflows for leases of GH¢11,140,000 (2019: GH¢11,838,000). Payments were for principal elements of GH¢10,259,000 (2019: GH¢10,715,000), interest of GH¢881,000 (2019: GH¢663,000) and nil (2019: GH¢700,000) for short term leases.

35 (c). Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	Group and Company	
	2020	2019
	GH¢'000	GH¢'000
Depreciation expense of right-of-use assets	11,244	10,121
Interest expense on lease liabilities	2,542	2,479
Expense relating to short-term leases (included in gneral and administrative expenses)	-	700
Total amount recognised in profit or loss	**13,786**	**13,300**

Extension options

Some leases contain extension options exercisable by the Group and Company before the end of the non-cancellable contract period. Where practicable, the Group and Company seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and Company and not by the lessors. The Group and Company assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

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

	2020	2019
	GH¢'000	GH¢'000
Less than one year	5,631	4,494
Between one and five years	12,399	11,368
More than five years	11,155	12,309
Total undiscounted lease liabilities at 31 December	**29,185**	**28,171**

Notes to the Financial Statements cont'd

For The Year Ended 31 December 2020

36. Long term prepayments

	Group and Company	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	1,725	-
Additions for the year	-	354
Refunds for the year	(700)	-
Right-of-use asset	(354)	-
Reclass from long term leases (Note 26)	-	1,371
Balance at 31 December	**671**	**1,725**

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


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Appendix 1

Shareholding information

(i) Number of shares in issue

Earnings and dividend per share are based on 111,874,072 (2019: 111,874,072) ordinary shares in issue during the year.

(ii) Number of shareholders

The Company had 4,838 ordinary shareholders at 31 December 2020 distributed as follows:

Holding	No. of holders	Total holding	% Holding
1 - 1,000	2,783	959,004	0.90
1,001 - 5,000	1,592	3,886,215	3.50
5,001 - 10,000	270	1,764,216	1.60
10,001 and over	193	105,264,637	94.10
	4,838	**111,874,072**	**100**

(iii) List of twenty largest shareholders at 31 December 2020

	Number of shares	Shareholdings
TOTAL OUTRE MER S.A.	48,802,560	43.62
TOTAL AFRICA LTD	37,047,592	33.12
SOCIAL SECURITY & NATIONAL INS.TR.	3,084,664	2.76
SCGN/ENTERPRISE LIFE ASSO. CO.	2,386,100	2.13
SCGN/CACEIS FRANCE RE HMG GLOBETRO	1,803,000	1.61
SCGN/EPACK INVESTMENT FUND LTD	1,635,508	1.46
GHANA OIL COMPANY LTD	1,040,528	0.93
SCGN/SS LUX C/O SSB AND T CO, BOSTON	860,000	0.77
SCGN/GH. MED. ASSOC. PENSION FUND	584,700	0.52
HFCN/EDC GHANA BALANCED FUND LTD	582,943	0.52
SCBN/DATABANK BALANCED FUND LTD	503,008	0.45
SCGN/ENTERPRISE TIER 2 OCCUPATIONAL	378,410	0.34
SCGN/ELAC SHAREHOLDERS FUND	376,400	0.34
STD NOM/METLIFE CLASSIC FUND	302,439	0.27
STD NOMS TVL PTY/ENTERPRISE TIER 3	204,075	0.18
DAMSEL/OTENG-GYASI ANTHONY	203,816	0.18
STD NOMS TVL PTY/DATABANK ARK FUND	157,000	0.14
SCGN/PETRA ADVANTAGE PORTFOLIO	139,385	0.12
STD NOMS TVL PTY/NESTLE TIER 3 PF	137,700	0.12
STD NOMS/DATABANK EDUCATIONAL INVE	130,000	0.12
REPORTED TOTALS	**100,359,828**	**89.70**
NOT REPORTED	**11,514,244**	**10.30**
GRAND TOTALS	**111,874,072**	**100**

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

Changes in shareholding: for the financial year ended 31 December 2020, there were no material changes to the shareholding structure of the Group.

Appendix 2

Corporate Social Responsibility Report

Total Petroleum Ghana PLC (TOTAL Ghana) is a socially responsible business entity which strives to positively contribute to the public, the economy and the environment. The Company has consistently sought sustainable ways to support the economy in which it operates. The focus areas of the Company are Environment and Safety, Education, Entrepreneurship, Health and Sports.

Safety and Environment

TOTAL Ghana as part of its corporate social responsibility, donated GH¢100,000 worth of fuel to the COVID-19 National Trust Fund initiated by the Government of Ghana. One hundred (100) Total Cards with a value each of 230 litres of fuel, worth a total sum of GH¢100,000 was presented to the chairperson of the fund at the Jubilee House to complement Government's effort at fighting COVID-19 in Ghana. The Company also supported the Ghana Private Road Trade Union (GPRTU) at their Head Office with 6000 bottles of hand sanitizers to be distributed to commercial drivers throughout the country to help the fight the spread of COVID-19.

Together with the Dealers across all network service stations, the Company also educated the drivers on the best ways to help prevent the spread of germs, especially the coronavirus. Items such as Veronica buckets, nose masks, liquid soap and paper towels were donated to the Drivers to support their efforts in maintaining good hygiene.

TOTAL Ghana has been collaborating with Voltic Ghana since 2018 on a project called 'Irecycle' to effectively manage plastic waste collection within the Accra and Tema Metropolis. This project is being replicated in phases throughout our network stations. The initiative demonstrates the Company's commitment towards environmental protection and the Group's ambition to become a responsible energy major.

This project is on-going and has been successfully rolled out at selected Total Service Stations in the Greater Accra Region. This will be extended to all the Company's service stations over time.

Annual fuel allocation to Ghana National Fire Service

A donation of GH¢14,000 worth of fuel via the Total Card was made to the Ghana National Fire Service. The allocation was distributed to the various regions countrywide to assist them in their various fire-fighting operations. This was to honor Total Ghana's annual commitment to the agency.

Disinfection Units for Ga Mashie (Ga Traditional Council)

In July 2020, TOTAL Ghana supported the Ga Traditional Council with an amount of GH¢50,000 to enable them install two (2) Disinfectant Units at desired locations of Ga Mashie to mitigate the spread of COVID-19.

Education and Training

The Young Graduate Program in 2020 successfully empowered four (4) Ghanaian youth through a training and capacity building program. The trainees spent six (6) months in Ghana and were given opportunity to undergo twelve (12) months international training experience in other Total affiliates.

The Company also provided internships and National Service employment for tertiary institutions through its educational partnership program. The Company also organised various trainings for Dealers, Attendants and Transporters to help develop the brand and its network stations.

Scholarship for UMAT & KNUST students

As part of TOTAL Ghana's commitment towards education, a cash donation of GH¢57,800 has been set aside in an Educational Partnership fund to cater for Scholarship Awards to students at the University of Mines and Technology (UMAT) and the Kwame Nkrumah University of Science and Technology (KNUST) for the 2020-2021 academic year.

University Education and Career Fairs

TOTAL Ghana made cash donations to the University of Ghana Legon and the Ashesi University towards the organization of their annual education and career fairs. Each institution received an amount of GH¢5,000 during a mock interview & dialogue session held at both campuses in May, 2020.

Extract of Code of Conduct

OUR BUSINESS PRINCIPLES

We respect all applicable national and international laws and norms.

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

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

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

Extract of Code of Conduct

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

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

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

OUR EMPLOYEES

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

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

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

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

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

HOST COUNTRIES

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

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

LOCAL COMMUNITIES

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

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

CUSTOMERS

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

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

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

SUPPLIERS

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

BUSINESS PARTNERS

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

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

SHAREHOLDERS

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

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

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


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PREVENTS UP TO 93% OF DEPOSIT BUILD-UP
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The fuel that cleans your engine km after km
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Business Development

Dealer Convention, Oct. 2020

DEALER CONVENTION 2020

The 13th edition of the Dealer Convention was held under the theme 'yɛ kɔ yenim' meaning 'We are moving forward'.

The annual event organized by the Marketing Department was held at Cleaver House, Accra with strict adherence to all the laid down COVID-19 safety protocols.

A selected number of Dealers and their staff in the retail network, together with management and staff of the Company attended the event and deliberated on the previous year's performance and plans for the year ahead.

Dealers who had recorded exceptional performance in the previous year were presented with very attractive prizes as well as certificates in recognition of their sterling performance.

The Dealers were encouraged to continue to enhance the quality of service delivery and brand reputation. They were also urged to maintain their zeal to achieve their set targets.

The entire team was reminded to reinforce team spirit amongst their various teams and to support their teams in all areas of the business to ensure the Total brand maintains its rank as one of the leading brands in Ghana.

Business Development cont'd

Official Launch of Le Bread Kiosk, Aug. 2020

COMMISSIONING OF LE BREAD KIOSK

At Total Ghana, one of our primary aims is to enhance the experience for all our customers. We are therefore keen on introducing innovative products and services which meet this objective.

One such innovation was the introduction of the LE BREAD Kiosk at selected Total Service Stations.

At a colorful ceremony held at the Company's Head Office in Accra on Thursday, 6th August 2020, the first LE BREAD Kiosk was commissioned.

The exquisitely branded LE BREAD Kiosk which is completely solar powered is designed to deliver freshly baked and tasty assorted bread and pastries from the best bakeries in Ghana.

The LE BREAD Kiosk is strategically located thereby providing total convenience to customers.

Three (3) more LE BREAD Kiosks have been commissioned since the first one was commissioned and the Company plans to introduce more to its network in order to provide convenience to its customers.

Business Development cont'd

Top Service Week, Nov. 2020

Top Service Week, Nov. 2020

STATION ACTIVATIONS

Commercial and non-commercial drivers all over the country have stayed committed to the Total brand throughout the years, and to show our appreciation, the Company organized a year-long intense activation at Total Service Stations nationwide as well as strategic lorry parks across five big cities in Ghana.

The activation was focused on sensitizing and educating the public on the advantages of purchasing Total branded products, with an emphasis on the Total Troxi Club. It was also an opportunity to show our cherished customers how much we value their business.

The Brand Ambassador and former Captain of the Black Stars, Stephen Appiah joined the team at some selected Service Stations on some occasions to serve fuel and to clean vehicle windscreens. The Brand Ambassador also assisted customers with their payment via Total Card. Customers were delighted to be served by the Brand Ambassador, Stephen Appiah.

The Managing Director, Mr. Eric Fanchini entreated customers to expect quality, excellent services and a welcome reception from the attendants when they visit a Total Service Station.

It was also a good opportunity to receive our Customer's feedback whilst assuring them of our delivery of quality products and services at all times.

Top Service Week, Nov. 2020

Top Service Week, Nov. 2020

Business Development cont'd

Commissioning of Pig Farm SS, Feb. 2020

RETAIL NETWORK EXPANSION

As a leading brand in the Oil & Gas industry in Ghana and the first Oil Marketing Company to be ISO 9001:2015 certified in the country, the Company continuously strives to expand and uplift the look of its existing network service stations across the country whilst maintaining high safety standards in its operations.

The Company added new Service Stations to its network and also renovated some existing stations to enhance service to its valued customers.

These Service Stations are strategically located for easy accessibility and provides total convenience to customers. The Stations are equipped with Bonjour shops and lube bay services offering the best customer experience to all our valued customers.

The Company will continue to expand its retail network across the country to offer top-notch products and services to all its customers.

Commissioning of Ogbojo SS, Nov. 2020

Business Development cont'd

Car wash promotion, Community 2 SS, Dec. 2020

TOTAL WASH PROMO

The Company organized a three (3) day car wash promo at all its operating wash centers across the network from 25th to 27th December 2020.

The objective of this nationwide wash promo was to reward loyal customers for their commitment to the brand and to encourage patronage and regular visits to the Total wash centers.

During the promo period, drivers who visited any of the car wash centers received beautifully branded Total Wash towels as a token of our appreciation for choosing Total.

The Total Wash Centre offers complete washing and vacuum services. The facility uses professional equipment with high quality detergents and shining wax with long lasting effect.

Car wash promotion, Oxford SS, Dec. 2020

Car wash promotion, Sakumono SS, Dec. 2020

Car wash promotion, Link Road SS, Dec. 2020

Corporate Social Responsibility

Customer Service Week Celebration at Total House, Nov. 2020

CELEBRATION OF CUSTOMER WEEK

With Customer Service as a focal point of its business, the Company dedicated a week to interact with its Customers to give them utmost service delivery.

The Management and staff of the Company interacted with Customers and most importantly received feedback from them to enable it improve upon its service delivery. Many corporate souvenirs were distributed to Customers at several service stations nationwide. Management and staff also shared maintenance and safety tips with private and commercial motorists. They also took the opportunity to reinforce and remind the public to strictly adhere to all the COVID-19 protocol tips issued by the Health Authorities.

The various activities implemented during the week long activities enhanced team building whilst reinforcing the Company's commitment to delivering the best services to its cherished Customers.

Corporate Social Responsibility cont'd


Covid-19 Donation at Ashaiman Lorry Station, July 2020


Covid-19 Donation at Tamale, April 2020


Covid-19 Donation at Flag Staff House, April 2020

Covid-19 Donation Sakumono Lorry Station, July 2020

TOTAL GHANA SUPPORTS FIGHT AGAINST COVID-19

The Company as part of its Corporate Social Responsibility, donated GH¢100,000 worth of fuel to the COVID-19 National Trust Fund set up by the President to assist in the welfare of the needy and vulnerable in the midst of the Pandemic.

The Company also supported the Ghana Private Road Trade Union (GPRTU) with 6,000 bottles of Hand Sanitizers to be distributed to commercial drivers throughout the country to help the fight against the spread of COVID-19 virus.

Together with the Dealers across all the Service Stations, the Company created awareness by offering Health Tips to motorists on how to help reduce the spread of the COVID-19 virus. The motorists were urged to adhere to all the COVID-19 safety protocols including washing of hands regularly, the use of nose masks, practising of social distance etc. Items such as Veronica buckets, nose masks, liquid soap, paper towels were donated to some Drivers Unions to support their efforts in creating the awareness amongst the commercial drivers.

Corporate Social Responsibility cont'd

Vals Day donation at Village of Hope Orphanage, Feb 2020

TOTAL GHANA SHOWS LOVE ON VALENTINE'S DAY

The Company has dedicated the 14th February of every year as a day to support the less privileged in society. As the world celebrated Valentine's Day, the Company seized the opportunity to show love to the needy and orphaned.

In line with the Company's Corporate Social Responsibility Agenda and to mark the 2020 Valentine's Day celebration, a team from the Company made a donation to the Village of Hope Orphanage located at Gomoa Fetteh in the Central Region.

Several items were donated to the Orphanage which included used clothes, bags of rice, cooking oil, bags of wheat, washing and bathing soap, assorted drinks, biscuits, canned food, sanitary wear, and many more.

Receiving the items, the Head of the Orphanage, Mr. Kweku Sarkodie informed the team that the Orphanage was established 24 years ago and has been home to many orphans through the years.

At the time of the donation, the Head of the orphanage indicated that four (4) of the children were currently in the university, fifty-six (56) in Senior High School (Boarding) and seventy-five (75) in the Basic School which was located on the premises of the orphanage. He added that the Basic School was open to the public at a fee. There is also a medical facility on the premises which serves the orphanage and other communities within the vicinity.

Speaking on behalf of the children and guardians, Mr. Kweku Sarkodie expressed his appreciation and thanked the Company for the wonderful gesture. He implored other Corporate entities and individuals to emulate the action taken by the Company in lending a helping hand towards the care of the vulnerable in society.

Corporate Social Responsibility cont'd

TOTAL YOUNG GRADUATE PROGRAMME

The Total Young Graduate Programme was launched in 2016 and targets recently graduated young talents from our local universities.

This innovative program is a 24-month training opportunity which consists of twelve (12) months local contract and twelve (12) months International exposure in Total affiliates within Africa, to discover one of its three main business lines - Commercial, Finance and Technical.

Every year, 37 African countries participate in the Young Graduate program. The knowledge, experience and skills acquired are transferable and thus enhancing their employability.

For the past 4 years, the Company has successfully developed twenty-one (21) Ghanaian young graduates through this initiative.

Hello!

My name is **Rita Asantewaa Yeboah**, and I am currently an Accounts Analyst (Suppliers & Expenses) with the Finance and Accounts Department at Total Petroleum Ghana PLC.

I was encouraged to apply for the Total Young Graduate Program (TYGP) by a friend who was successfully enrolled in the previous year and had a life changing experience through this program.

I was selected amongst thousands of candidates, it felt like I was on top of the world. Honestly, it was a dream come true for me. I was thankful to God for seeing me through the selection stages successfully.

The entire eighteen (18) month journey of professional grooming was indeed amazing and fulfilling. I enjoyed a great learning experience for the six (6) months training in Ghana and twelve (12) months training at Total Zimbabwe.

My expectation on joining the TYGP was to learn as much as possible which has been met in a lot of ways. As a trainee, I had the privilege to take up several tasks which aided me practically on the job under the tutelage and support from my colleagues and supervisors.

In the future, I would like to be a Professional Accountant within the Total Group. In the interim, I would like to gain as much experience as I can whilst contributing to the overall objectives of the Total Group in my line of work.

Hello,

My name is **Evans Kissiedu Yirenkyi**.

I am a chemical engineer by profession and currently working as a Maintenance Supervisor in the operations department. I was introduced to this program during my National Service period.

I was overjoyed when I was informed of my selection. I felt proud and grateful to God.

During my first nine months in Ghana, I learnt so much about due diligence, corporate discipline and accountability. My second phase of training was for fifteen months with the Maintenance and Engineering unit in Total Zambia. My skillset in terms of the application of the knowledge I acquired from the university was brought to bear and being exposed to a new culture improved my interaction with people.

My expectations were to harness my technical know-how and to channel my energy into improving the department where I find myself. Personally, I would say this program has made me a better engineer and a better person by all standards.

My future ambitions and plans are to bring out innovative ideas for the advancement of Total Ghana and also to contribute to the global objective of the Group.

Corporate Social Responsibility cont'd

THE 2020 YOUNG GRADUATE PROGRAMME cont'd

Hi!

I am **Michael Tamakloe** currently working with the Finance and Accounts Department at Total Petroleum Ghana PLC.

I first heard about the Total Young Graduate Program (TYGP) through my Junior High School Alumni WhatsApp platform. I said to myself 'to make or miss it, I still have to shoot my shot'; And I did with no hesitation.

I was super excited upon hearing that I was selected. I was proud of myself for making it through the rigorous recruitment process. I must say kudos to the Total team for creating such a dream come true program.

My first eight months in Ghana was with the Accounts unit. The experience was intensive but exciting. The job required long hours, but I had a good manager and amazing team mates to make the phase enjoyable.

My second phase of the program was 'perfect'. I joined the Strategy Unit, Marketing & Services Division in Total France. I learnt a lot on the job working with highly skilled team members with experience from all over the world who always shared deep insights and feedback.

Well, the only expectation I had for myself was to be about two times better than I was before the program. Honestly, I feel five times better in all aspects of my life now.

My goal is to become a very resourceful and influential business executive who will make an impact that matters in the life of others and to contribute to the growth of society.

'Yet, for those rare occasions when we beat the odds, it turns to a dream come true'.

Hi,

Justice Kwamena Baiden is my name, and I am a Card Territory Manager in the Sales & Marketing Department at Total Petroleum Ghana PLC.

In fact, it was a beautiful feeling when I got accepted into the highly esteemed Total Young Graduates Program. I was thoroughly nurtured in the program by experienced business personalities and co-workers.

I had the opportunity of rotating through the Retail Network Service Station trainee roles in Ghana.

During my seventeen (17) months stay in Total Uganda, I was offered to join the Supply team. The dynamics of a new environment coupled with a role I was not previously accustomed to required me to be cross-functional in order to be successful in the new role/department.

I got to know of the Young Graduate Program from a newspaper publication and I believed I had the qualifications to contest in this prestigious program. I was elated and grateful to have been chosen for the Young Graduate Program.

It was certainly an amazing experience that challenged me to develop my capacity in the professional setting. The opportunity to attend various trainings and workshops sessions aided to build the knowledge gaps and skills to ensure efficient and effective performance in my roles.

I look forward to contributing to the organizational excellence and service that has been associated with Total Petroleum Ghana PLC.

Achievement & Awards

FIVE OUTSTANDING AWARDS 2020

Ghana Oil & Gas Awards – Lubricant Product of the Year

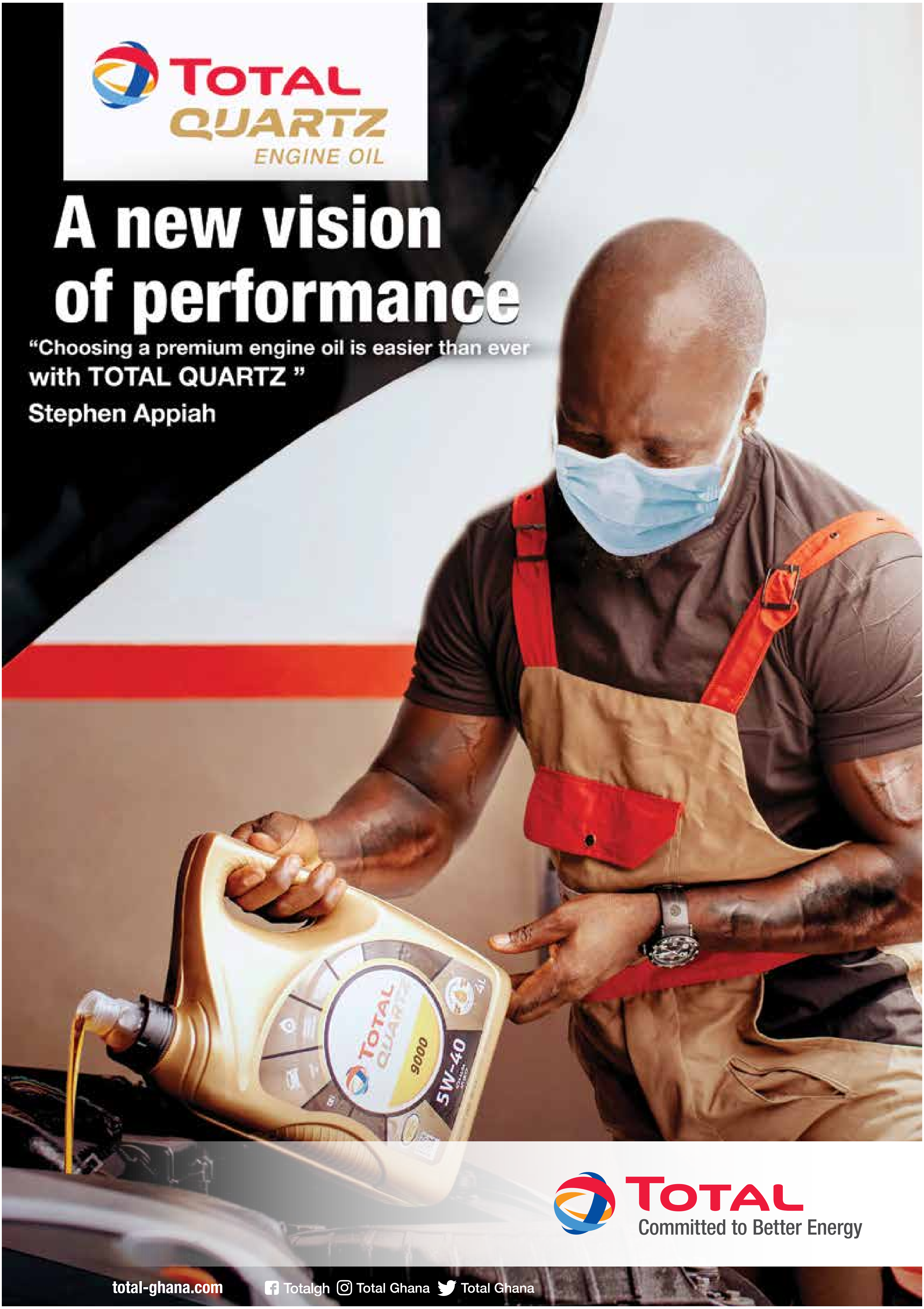
Ghana Oil & Gas Awards - Petroleum Company of the Year

Ghana Oil & Gas Awards – Marketing Campaign of the Year

Ghana Energy Awards – Excellence in ICT adoption for COVID-19 adoption

The Chartered Institute of Marketing Ghana - Petroleum Company of the Year

We say thank you to our cherished customers and stakeholders.
Your trust is taking us places. We are grateful for your loyal patronage.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Proxy Form

PROXY FORM FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD ON TUESDAY 1ST DAY OF JUNE, 2021 AT 11.00 O'CLOCK IN THE FORENOON

I/We, ____being Member(s) of TOTAL PETROLEUM GHANA PLC, 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 1st day of June, 2021 and at any and every adjournment thereof.

This Form to be used :-

1.	*in favour of against	The Resolution to adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December, 2020.
2.	*in favour of against	The Resolution to declare Final Dividend for the year ended 31st December, 2020 as recommended by the Directors.
3.	*in favour of against	The Resolution to re-elect Mr. Alain Vedier as a Director of the Company.
4.	*in favour of against	The Resolution to re-elect Mrs. Laurette Otchere as a Director of the Company.
5.	*in favour of against	The Resolution to re-elect Mr. Stanislas Mittelman 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 authorize the Directors to fix the renumeration of the Auditors.
8.	*in favour of against	The Resolution to appoint PricewaterhouseCoopers to replace KPMG as Auditors of the Company effective from the conclusion of the Annual General Meeting.

On any other business transacted at the Meeting and unless otherwise instructed in paragraphs 1 to 8 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 …………………… 2021

…………………………………………
Signature of Shareholder

SECOND FOLD HERE

Please
affix
stamp

FIRST FOLD HERE

The Secretary
TOTAL PETROLEUM GHANA PLC
No. 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 MR. SAMBA SALFAL SEYE, the Chairman of the meeting to act as your Proxy, but if you so wish, you may insert in the blank space provided the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of MR. SAMBA SALFAL SEYE.
3. In case of joint holders, each joint holder must sign.
4. If executed by a Corporation, the Proxy Forms must bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and send via email to REGISTRARS@MYUMBBANK.COM or deposited at the registered office of the Registrar of the Company, UMB, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra, or posted to the Registrar at P.O.Box GP 401, Accra to arrive no later than 48 hours before the appointed time for the meeting.
6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.

Notes

Rest Well

MR. KOFI AMPIM

JUNE 28, 1946 - JANUARY 30, 2021

We will forever cherish your immense contribution to the growth of our Company.

See you at
www.total-ghana.com

TOTAL

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Total House
No. 25 Liberia Road,
P. O. Box 553, Accra
+233-302-611555 I 611556
Totalgh Total Ghana Total Ghana