GOIL COMPANY LIMITED

GOIL
Good energy

60 YEARS
ANNIVERSARY
1960 - 2020

2019 ANNUAL REPORT

GOIL COMPANY LIMITED

YEARS

ANNIVERSARY

1960 - 2020

2019 ANNUAL REPORT

CONTENTS

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

BOARD OF DIRECTORS:
Hon. Peter Kwamena Bartels - Chairman
Hon. Kwame Osei-Prempeh - Group CEO & MD
Mr. Thomas Kofi Manu - Member
Mr. Beauclerc Ato Williams - Member
Mrs. Beatrix Agyeman Prempeh - Member
Mr. Robert Owusu Amankwah - Member
Mrs. Rhoderline Baafour-Gyimah - Member
Mr. Stephen Abu Tengan - Member
Madam Philomena Sam - Member

SECRETARY:
Nana Ama Kusi-Appouh

AUDITOR:
PKF
Chartered Accountants
Farrar Avenue
P.O. Box GP 1219
Accra

REGISTERED OFFICE:
D 659/4, Kojo Thompson Road,
P.O. Box GP 3183,
Accra.

BANKERS:
GCB Bank Limited
Standard Chartered Bank Ghana Limited
Barclays Bank Ghana Limited (Absa Bank Ghana Limited)
Ecobank Ghana Limited
Universal Merchant Bank Ghana Limited
Agricultural Development Bank Limited
Prudential Bank Limited
Zenith Bank (Ghana) Limited
First Atlantic Bank Limited
National Investment Bank Limited
Societe Generale Ghana Limited
Stanbic Bank Ghana Limited
United Bank for Africa (Ghana) Limited
Access Bank Ghana Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of the Shareholders of GOIL Company Limited will be held **VIRTUALLY and streamed live by video link from www.goilagm.com** on **Thursday, 20th August, 2020 at 11:00 am** for the transaction of the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and consider the reports of the Directors and the Auditors and the Financial Statements of the Company for the year ended December 31, 2019.
2. To declare a dividend for the year ended December 31, 2019
3. To elect Directors retiring by rotation
4. To authorize the Directors to fix the remuneration of the Auditors
5. To fix the remuneration of the Directors

SPECIAL BUSINESS

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

Dated this 24th day of July, 2020.

BY ORDER OF THE BOARD

Nana Ama Kusi-Appouh
Company Secretary

Note:

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

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

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

iv. A copy of the Form of Proxy can be downloaded from https://www.goilagm.com and may be filled and sent via email to: registrars@nthc.com.gh or deposited at the registered office of the Registrar of the Company, NTHC, MARTCO HOUSE, D542/4, Okai Mensah Link, Off Kwame Nkrumah Avenue, Adabraka, Accra and Postal address as P. O. Box, KIA 9563, Accra to arrive no later than 48 hours before the appointed time for the meeting.

v. The 2019 Audited Financial Statements can be viewed by visiting https://www.goilagm.com.

Accessing and Voting at the Virtual AGM

vi. A unique token number will be sent to shareholders by email and/or SMS from **6th August, 2020** to give them access to the meeting. Shareholders who do not receive this token can contact KEN MATE-KOLE or **registrars@nthc.com.gh** or call **0593105735** any time after **6th August, 2020** but before the date of the AGM to be sent the unique token.

NOTICE OF ANNUAL GENERAL MEETING CONT'D

vii. To gain access to the Virtual AGM, shareholders must visit https://www.goilagm.com and input their unique token number on Wednesday, 19th August, 2020. Access to the meeting will start from 8:00am. For shareholders who do not submit proxy forms to the Registrar of the company prior to the meeting they may vote electronically during the Virtual AGM again using their unique token number. Further assistance on accessing the meeting and voting electronically can be found on https://www.goilagm.com.

For further information, please contact the Registrar

NTHC, MARTCO HOUSE, D542/4,

Okai Mensah Link,

Off Kwame Nkrumah Avenue, Adabraka, Accra

RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING:

The Board of Directors will be proposing the following resolutions, which will be put to the Annual General Meeting

1. To Receive the 2019 Accounts

The Board shall propose the acceptance of the 2019 Accounts as the true and fair view of the state of affairs of the Company for the year ended 31st December, 2019 and of its performance for the year then ended.

2. To Declare a Dividend

The Directors recommend the payment of a dividend of **GH¢0.045** per share amounting to **GH¢17,633,841.00** for the year ended 31st December 2019.

3. To Elect Directors Retiring by Rotation

In accordance with Regulation 88 of the Company's Regulations the following Directors who are retiring by rotation but are eligible for re-election shall be re-elected as Directors:

- Mr. Robert Owusu Amankwah
- Mr. Thomas Kofi Manu
- Mr. Stephen Abu Tengan

4. To Authorize the Directors to Fix the Remuneration of the Auditors

In accordance with Section 139 of the Companies Act 2019, Act 992, Messrs Pannell Kerr Forster will continue in office as Auditors of the Company. The Board will request from members their approval to fix the remuneration of the Auditors in accordance with Section 140 of the new Companies Act, 2019, (Act 992).

5. To Fix the Remuneration of the Directors

The Board will request from members their approval to fix the remuneration of the Directors in accordance with Section 185 of the new Companies Act, 2019, (Act 992).

SPECIAL RESOLUTIONS

1. To Authorize the Company to effect all changes in the Company's Regulations/ Constitution to make it compliant with the new Companies Act 2019 (992)
2. To amend the Company's Regulations/ Constitution to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.
3. To change the name of the Company from GOIL Company Limited to GOIL Company Limited (PLC) in compliance with section 21(b) of the new Companies Act 2019 (Act 992).

BOARD OF DIRECTORS

Hon. Kwamena Bartels
Chairman

Hon. Kwame Osei-Prempeh
Group CEO & MD

Mr. Thomas Kofi Manu
Member

Mr. Beauclerc Ato Willams
Member

Mrs. Beatrix Agyeman Prempeh
Member

Mr. Robert Owusu Amankwah
Member

Mrs. Rhoderline Baafour-Gyimah
Member

Mr. Stephen Abu Tengan
Member

Madam Philomena Sam
Member

PROFILE OF BOARD MEMBERS

Profile of Hon. Kwamena Bartels

Hon. Peter Kwamena Bartels is a Lawyer by profession born on 27th October, 1947. He attended Nungua Secondary School where he obtained his GCE Ordinary Level Certificate and Mfantsipim School in Cape Coast for his Advance Level Certificate. He proceeded to the University of Ghana where he graduated with an LLB (Honours) degree and then to the Ghana Law School for his BL degree in 1974. He was called to the Bar in 1974. Hon. Kwamena Bartels holds a Post-Graduate Certificate in Personnel Administration from the Ghana Institute of Management and Public Administration and Post-Graduate Certificate in University Administration from University of Ife in Nigeria. He entered Parliament in 1997 as a Member of Parliament for the Ablekuma North Constituency. He was reelected in 2001 and 2004. Hon Kwamena Bartels held several Ministerial positions in Ghana including;

- Minister of the Interior – Aug. 2007 – May 2008
- Minister for Information and National Orientation – May 2006 – Aug. 2007
- Minister for Private Sector Development & the President's Special Initiative – 2002-2005
- Acting Minister of Tourism – May 2002 – April 2003
- Minister of Works and Housing – February 2001 – 2002

Hon. Peter Kwamena Bartels also has the following work experience:

- Principal Assistant Registrar and Principal Lecturer in Law at the Anambra State Polytechnic, Oko from 1982 – 1984.
- Assistant Registrar in charge of Personnel and Staff Training Programmes and later Students Affairs from 1974 – 1977. He also served as Secretary to Five Statutory Committees.
- He served as the Export/Personnel Manager and later as Corporation Secretary (Ghana Food Distribution) with additional responsibility as Public Relations Officer and a part-time Lecturer in Commercial Law at the Accra Polytechnic between 1973 and 1974.
- Administrative Secretary at Ghana Food Distribution Corporation (Task Force) from 1971 – 1972.

Hon. Peter Kwamena Bartels attended and addressed several international conferences including the following:

- International Organization for Migration on Liberian Refugees in Ghana – Geneva, Switzerland – 2008
- International Parliamentary Conference in London – 2008
- Fair Trade Conference between ACP and EU Countries in Switzerland – 2007
- World Economic Forum – South Africa – 2003
- Addressed the UN Conference in New York – 2001

He is currently the Board Chairman of GOIL Company Ltd. and Chairman of United Bank of Africa (UBA). He is also into farming.

PROFILE OF BOARD MEMBERS CONT'D

Profile of Hon. Kwame Osei-Prempeh

Hon. Kwame Osei-Prempeh was born on 19th December, 1957 and a Lawyer by profession. He was the Member of Parliament for the Nsuta Kwamang Beposo Constituency from January 1997 to January 2013. He served on various committees including:

- Deputy Minister of Justice and Deputy Attorney General from June, 2006 to January 2009
- Board Chairman – Ghana Supply Company, June 2002 – January 2009
- Board Member – National Media Commission – June 2002 – January, 2008
- Board Member – Tema Steel Company Ltd. – February 2001 – June 2004
- Council Member – Prisons Service Council, June 2006 – January, 2009
- Board Member – Gratis Foundation – June 2006 – January 2009
- Public Procurement Authority – June 2006 – January 2009
- Private Legal Practice – 1990 – 2001
- English Tutor – Teshie Presby Secondary School, 1985 – 1989
- Chairman – Constitutional, Legal and Parliamentary Affairs – 2001 – 2006
- Chairman – Committee on Judiciary of Parliament – 2001 – 2005
- Finance Committee of Parliament – 2001 – 2005
- Subsidiary Legislation Committee of Parliament – 2001 – 2005
- Chairman – Committee on Works and Housing – 2001 – 2005
- Subsidiary Legislation Committee – 1997 – 2001
- Committee on Works and Housing – 1997 – 2001
- Committee on Trade and Industry – 1997 – 2001

Hon. Kwame Osei-Prempeh attended SDA Secondary School in Agona-Ashanti where he obtained his GCE Ordinary Level Certificate and SDA Secondary School in Bekawi-Ashanti for his Advance Level Certificate. He proceeded to the Kwame Nkrumah University of Science and Technology, Kumasi where he graduated with BA (Hons) degree, A Qualifying Certificate in Law at the University of Ghana and then to the Ghana Law School for his BL degree and was called to the Bar in 1990. Hon. Kwame Osei-Prempeh holds a Certificate in Legislative Drafting and Master of Arts in Conflict, Peace and Security from the Kofi Annan International Peacekeeping Training Centre.

PROFILE OF BOARD MEMBERS CONT'D

Profile of Mrs. Beatrix Agyeman Prempeh

Mrs. Beatrix Agyeman Prempeh is currently an Executive Director of Vintage Moulding Company Ltd. and a member of the Greater Accra Regional Disciplinary Committee. She has also worked in various capacities such as the following:

- Government appointed Assembly Member for the Amasaman District Assembly
- Chairperson for the Mallam Area Council and Ga South Municipal Assembly.
- She has both local and international experience as an Administrator in Ghana and the United Kingdom having served in administrative positions at the Ministry of Education, GIHOC and Central Regional Development Corporation.

Profile of Mrs. Rhoderline Baafour-Gyimah

Mrs Rhoderline Baafour Gyimah was born on 6th June 1946. She attended Abuakwa State College between 1961-1966. She became a Journalist in 1968 after she had obtained a Diploma in Journalism from the Ghana Institute of Journalism.

Mrs Rhoderline Baafour-Gyimah has held several positions including the following:

- Managing Partner – Hamlex Company Limited 2009 – to date
- Special Assistant to the Office of the First Lady – 2001-2008
- Media Consultant to Mother & Child Community Development Foundation (NGO)
- Founder and Managing Director of Metro Media Consult – 1993-2008
- Managing Director – Rhodalex Immigration Advisory Services – 1988- 1990
- Editor of the Newsroom, GBC 1986-1988
- Senior Reporter and Assistant Editor of the Newsreel Section of the News and Current Affairs department of GBC – 1976-1984
- Information Officer – Ghana High Commission, London – 1970 – 1974
- Senior Reporter – Echo Newspaper and Ashanti Pioneer – 1968 – 1970

Mrs Rhoderline Baafour-Gyimah is a member of various clubs and associations including the following:

- Ghana Journalist Association
- Association of Women in Media
- International Women in Media Foundation
- CODA (Council of Distinguished Alumina) Abuakwa State College

In 2008 she was awarded 'Order of the Volta' for her distinguished career in Public Service.

PROFILE OF BOARD MEMBERS CONT'D

Profile of Mr. Thomas Kofi Manu

Mr. Thomas Kofi Manu was born on 8th May, 1959. He is the Deputy Chief Executive of Ghana National Petroleum Corporation (GNPC) on secondment as a Special Advisor to the Minister of Energy. He is an Oil and Gas professional with twenty-seven (27) years of Upstream Oil Industry experience gained from a variety of projects including Data Acquisition and Interpretation, Prospect Generation, Appraisal and Early Development Promotion of the country's hydrocarbon potential; Negotiations of Petroleum Agreements, and Monitoring and Evaluation of company performance and compliance. Technical Skills include Interpretation of Seismic and Geologic Datasets, Basin Analysis, Prospect Definition and Exploration Concepts.

Has led strategic planning team on numerous occasions to develop plans and strategies for the Energy and Petroleum sector in Ghana. Has acted as Chief Executive on multiple occasions and also had to take up the role of Director of Human Resources and Administration in addition to substantive position of Director of Exploration and Production from 2012 to 2013. Additionally, he served on several operational and policy committees in the energy sector of Ghana

Key Achievements

- Played the leading role in all oil and Gas discoveries in Ghana between 2007 and 2016
- Led the GNPC team in the Negotiations of the Offshore Cape Three Points (OCTP) set of Gas Sales Agreements and the related security Agreements with the Contractor group and the World Bank
- Played a leading role in the negotiations on behalf of GNPC and the Minister for Energy with Partners of all the plans of Development (POD) currently under production. (Jubilee , TEN, and OCTP fields)
- Led the technical team in the drafting of the new Exploration and Production (E&P) Act. Act 919
- Played a key role in developing the Local Content Regulations in Ghana

Work Experience – (Ghana National Petroleum Corporation)

Mr. Thomas Kofi Manu had most of his work career at the GNPC, where he also did his National Service. He served in various capacities such as:

- **June 2017** – Advisor to Ghana's Minister for Energy on upstream and general energy sector policies and activities
- **August 2016** – Deputy Chief Executive Officer (Technical)
- **2002-2016** - Director Of Operations (Exploration, Production, Technology and Development)
- **1999 – 2000** - Principal Geophysicist
- **Jan 1997 – Dec 1999** - Senior Geophysicist
- **Jan 1994 – Dec 1996** - Geophysicist
- **Oct 1991 – Dec 1993** - Assistant Geophysicist
- **Mar 1990 – Oct 1991** - National Service

PROFILE OF BOARD MEMBERS CONT'D

Educational Background

- 1983 – 1988 - MSc – Exploration Geophysics from the Moscow Institute of Exploratory Geology.
- 2006 – 2009 - MBA (Finance Option), University of Ghana, Legon.

Professional Affiliations

- Active Member – Association of International Petroleum Negotiators (AIPN)
- Member – American Association of Petroleum Geologists (AAPG)
- Active Member – Society of Exploration Geophysicists (SEG)
- Associate Member – Division of Environmental Geosciences
- Member – Ghana Institute of Geoscientists

Board Membership

Member of

- GOIL Company Ltd. (GOIL Board)
- University of Ghana Business School Advisory Board
- Management Committee of School of Physical and Mathematical Sciences of the University of Ghana
- Member of Ghana Gas company limited Board 2009 to 2015

Profile of Mr. Robert Owusu Amankwah

Mr. Robert Owusu Amankwah is a business executive born on 17th October, 1945. He holds Associate Degree in Business Administration from Essex County College in 1980. Mr. Robert Owusu Amankwah is the Founder and Chairman of Orabak Gh. Ltd.

He has held other positions including:

- Chief Executive Officer – R.O.A Medical Transport Incorporation, USA – 1995 to 2000
- Regional Supervisor – Maiden Lane Parking Inc. 1980 to 1995

PROFILE OF BOARD MEMBERS CONT'D

Profile of Mr. Stephen Abu Tengan

Mr. Stephen Abu Tengan was born on 25th November, 1979 and is a Chartered Accountant. He is currently working with Halliburton International Inc. Ghana as a Finance and Accounting Manager, West Africa Area. (excl Nigeria). He had previously worked at Baker Hughes Ghana Ltd. Iburst Africa, Ghana as an Accounting Supervisor and a Senior Accountant and country finance manager respectively. His other areas of work include working at Nestle Ghana Limited, Jiabo Enterprise, National Board for Small Scale Industries in various capacities. He holds Bsc. Business Admin. – Accounting and MBA Finance from the University of Ghana, Legon, ACCA Professional Qualification and International Baccalaureate Diploma from Red Cross Nordic United World College, Norway.

Profile of Madam Philomena Sam

Madam Philomena Sam was born on 5th May, 1955. She is a Business Executive and Private Entrepreneur with over 30 years combined experience running business in both Ghana and the USA. She has held the position of a Managing Director in over 5 companies and has built diverse teams over the period. She has also developed the capacity to provide excellent team leadership and organizational management at a very high level.

Madam Philomena Sam possess a solid experience in business policy development and execution of environments. She is passionate about poverty eradication and employment creation.

Work Experience

Vision 2050 Forestry, Ghana

- Madam Philomena Sam is currently the Managing Director (Plantations) of Vision 2050 Forestry, Ghana where she oversees the overall operational activities for afforestation, harvesting and the commercialization of forest and timber resources.
- Managing Director of Phylex Designs Fashion House East Orange New Jersey, USA.
- Managing Director of Phylex Art Gallery and Food Court East Orange New Jersey, USA, a sister company of Phylex Designs
- Managing Director of First Choice Resources, Ghana
- Madam Philomena Sam Was The Managing Director of Phaneros Supplies, Ghana
- Madam Philomena Sam also worked as the Managing Director of Phylex Construction, Ghana in 2010

PROFILE OF BOARD MEMBERS CONT'D

Madam Philomena Sam has held various Administrative and Leadership Positions including:

- Executive member of East Orange Economic Development Committee
- Co-Chairperson of East Orange Akropong Sister-City organization
- Municipal Chairperson for United Nations Children's Day in East Orange
- Board Chairperson, Network of Women in Growth – NEWIG

Board Membership

- Member of GOIL Company Ltd. (GOIL) Board
- Executive Member - Ministerial Advisory Board (Ministry of Lands and Natural Resources)
- Member - Forest Plantation Development Fund Board (Ministry of Lands and Natural Resources)
- Member – AngloGold Health Foundation

Key Achievements

- Facilitated and initiated worthwhile areas of interaction between East Orange and Ghana which included the sister-city relationship between East Orange and Akropong-Akwapem in the Eastern Region of Ghana.

Profile of Mr. Beauclerc Ato Williams

Mr. Beauclerc Ato Williams is a Business Executive in the Construction and Services Sector. He has also served as Ghanaian Director of Save a Child's Heart (GH) (SACH). He attended Mfansipim Secondary School and holds a Bachelor of Arts degree from the University of Ghana.

MANAGEMENT TEAM

Hon. Kwame Osei-Prempeh
Group CEO & MD

Mr. Alex Josiah Adzew
Chief Operating Officer - GOIL

Mr. Gyamfi Amanquah
Chief Operating Officer
- GOEnergy

Mr. Jacob Kwabena Adjei
Chief Finance Officer

Mr. Kofi Ansah-Otoo
Chief Internal Auditor

Mr. Martin Olu-Davies
Head of Admin/HR

Mr. Benjamin Ocansey
Head of Corporate Affairs

Ing. Denis Nii Komiete Amui
Head of Operations

Mr. John B. Tagoe
Head of Technical &
Special Products

Mr. Marcus Deo Dake
Head of Fuels
Marketing

Mr. Anthony Twumasi
Head of Research,
Planning & IT

Mr. Cyril Opon
Head of HSSE

Nana Ama Kusi-Appouh
Solicitor Secretary

Mr. Alphonso Okai Jnr
Head of Technical Services

Mr. Benjamin Torkornoo
Technical Consultant
to Group CEO & MD

CHAIRMAN'S SPEECH

Hon. Kwamena Bartels
Chairman

Introductory Remarks

I am really humbled and happy to share with you the strong financial performance and future outlook of your much esteemed company, GOIL. The Company continues to be formidable, results driven and adaptable, which, we believe, are the needed characteristics for achievement of a sustainable growth. It's a company that has seen transformation from being listed for divestiture to the biggest oil marketing company in Ghana. Before I present to you our performance, I would like to share with you how the country's economic environment was like during the year 2019 with emphasis on relevant sectors of the economy

Business and Economic Environment

The Ghanaian economy continued to exhibit the same pattern of growth in 2019 as witnessed during the year 2018. The estimated real GDP growth rate, according to Ghana government's 2020 Budget, was 6.2% and non-oil growth of 5.2%. Average inflation was still very low between 8-9%. Growth in consumption of fuel in the downstream sector continued to have a positive correlation with GDP growth; 6.4% growth was registered according to National Petroleum Authority. Fuel prices fluctuated more frequently than usual and ended up higher than what was registered in the beginning of the year. Unfortunately for the nation, the banking crisis culminated in loss of confidence in long term investments resulting in downward trend in share prices and GOIL was not spared. The Company experienced the biggest fall in share price since the year 2007.

Operating and Financial Performance

For the first time in several years, growth in sales volume of fuel was higher than that of the Industry. Whilst the Industry grew by 6.44%, GOIL grew by 9.66%. Surprisingly, the main drivers behind the growth, were not the sale of traditional products, Diesel XP and Super XP, which form about 90% of volume of sales, but rather the sale of mining diesel, bunkering and aviation fuel. The company's persistent efforts in gaining the custom of major mining companies finally paid off during the year 2019. GOIL managed to grab about 6% market share in mining diesel. Aviation fuel and Bunkering grew by a whopping 70% and 44% respectively; it's an achievement unprecedented in the history of GOIL. Consequently, the Company's market share in the sale of aviation fuel and bunkering rose from 7.7% to 11.3% and from 38% to about 61% respectively.

The overarching strategy to introduce technological innovations in order to improve operational efficiency was vigorously pursued. To prevent stock outs and monitor sales collections at the stations the company expanded its coverage of Automatic Tank-gauging System. The idea of instant price change was a cost reduction measure compared to the traditional manual adjustment of price which incur more labor cost.

Infrastructural developments were made to boost sales in the premix business. In collaboration with the National Petroleum Authority, six model premix outlets with modern facilities were constructed during the year 2019.

To increase volume of sales more service stations were streamed in either by the Company or in partnership with private service station owners. The Company also continued with the "Efie-ne-Fie" promo which served as an incentive to attract more customers to our service stations

GOIL's financial performance was consequently impressive; the group made a profit after tax of GHS105.5 million, up by 29% compared to the year 2018. Earnings per share moved from GHS 0.209 to GHS 0.269. Total asset increased from 1.345 billion cedis to approximately 1.716 billion cedis. The Company has embarked on projects that have

CHAIRMAN'S SPEECH CONT'D

the potential to yield higher gains in the future. For this reason, the board has decided to retain a considerable amount of the earnings per share to help finance the projects. Recommendation for dividend per share is GHS0.045 as against 0.042 in 2018.

Health, Safety, Security and Environment

The year 2019 saw increased strides towards ensuring that our operations are carried out in a safe and environmentally friendly manner. These efforts were specifically geared towards the safety & well-being of employees, customers, and interested parties alike.

We abide by statutory, regulatory as well as other relevant legal requirements. We recognise that these requirements represent the minimum level to be achieved and to improve upon it, we adopt and implement internationally recognised best practices.

Key to maintaining the confidence of our esteemed customers, is the ability to continue to ensure that our product offering is of the highest quality. The following activities were carried out to accomplish the above mentioned objective;

- Fuel testing was stepped up; thanks to a more robust and fast testing mobile system that was designed, tested and made operational during the year 2019.
- External testing laboratories were regularly engaged to ensure that incoming products were up to specifications.
- Regular/random testing of products within our ecosystem were, in addition, carried out.

The Company does not only protect personnel and properties against potential fires, but also from armed robberies which have the tendency to hurt sales in so many ways including limiting the number of working hours. Use of technology (CCTV, security and fire alarms), security awareness training, and quicker cash evacuation by the banks, are amongst the measures put in place to ensure safety for all as well as minimum losses.

ISO certification (ISO 9001:2015 & ISO 14001:2015)

In line with our Integrated Management system comprising Quality Management and Environmental Management systems, GOIL followed the international best standards to ensure continuous improvement. Internal and external issues that affect the business of GOIL, the needs and expectations of interested parties including feedback, compliance obligations, risk and opportunities and significant environmental aspects were all taken seriously to retain customer confidence in patronising our products and services.

In December 2019, Tuv Inter Cert conducted external surveillance audits for ISO 14001 (EMS) and ISO 9001 (QMS). GOIL was re-certified as being compliant with the implementation of ISO procedures. We plan to expand the scope of certification to include ISO 45001 (OHSMS) in the near future. This will strengthen our position as a leader in the Ghanaian industry. Needless to say that, the acquisition of the certificate is a testimony to the fact that GOIL is on the right path to achieving a world status.

Corporate Social Responsibility

Over the last decade, GOIL has consistently embarked on Corporate Social Responsibility (CSR) programs that impact positively on the environmental, social and economic well-being of the communities in which it operates. In consonance with the company's Community External Policy, GOIL has committed to managing its operations in a manner that positively impact on the quality of lives of the people and communities the Company interacts with.

In line with this objective, GOIL has embraced the United Nations Sustainable Development Goals (SDG) adopting in particularly, Goals Three (3), Four (4) and Six (6) which put emphasis on Good Health and Well-Being of people, Delivery of Quality Education and the Provision of Clean Water and Sanitation respectively.

CHAIRMAN'S SPEECH CONT'D

Water Provision

In 2019, GOIL continued to provide water to a number of communities in the Dormaa West, Abuakwa and Akuapem South Districts in the Brong and Eastern Regions respectively. Mechanised bore-holes were initiated for communities in Wamfie, Asupra and Kyeremasu, whilst Obodan Girls Senior High School students, residents of Nkukrom, Nyarkokrom, and Yaw Ayiresu are also benefiting from boreholes provided by GOIL. Other communities benefiting from similar water projects are Apedwa, Perchi, Adukrom and Potroase in the Abuakwa South Municipality.

Health

The Company made significant contribution towards the improvement of healthcare in Public Hospitals in the year under review. One thousand beds were donated to the Ministry of Health to be distributed to Public Hospitals in the country. They consisted of children, delivery and standard beds. The donation is expected to make a difference in the lives of patients by specifically helping to address hospital bed shortages and improve patient health care in general.

GOIL also supported the GRAFT FOUNDATION, to perform 98 reconstructive surgeries on mostly needy children as part of its Volta Hope Project at the Ho Teaching Hospital and assisted 'OPERATION SMILE', a non-profit charity organisation to correct cleft defects in children thus putting smiles on the families.

Education

In our efforts to support the promotion of quality education, we supported two important Educational programs- The National Maths and Science Quiz and the National Energy Quiz. The two programs promote the study of Science, Technology, Engineering and Mathematics (STEM) education and the unearthing of brilliant and future scientists and engineers in the country which is crucial to the nation's development.

Future Prospects

GOIL will continue with its concerted efforts to increase sale of non-traditional products. As mentioned in our previous annual statement, this strategy will help compensate for falling demand for our traditional products, Super XP and Diesel XP. Assuming the world is able to rid itself of the covid-19, we are strongly convinced that the sale of non-traditional products will continue to increase overall sales as experienced during the year 2019.

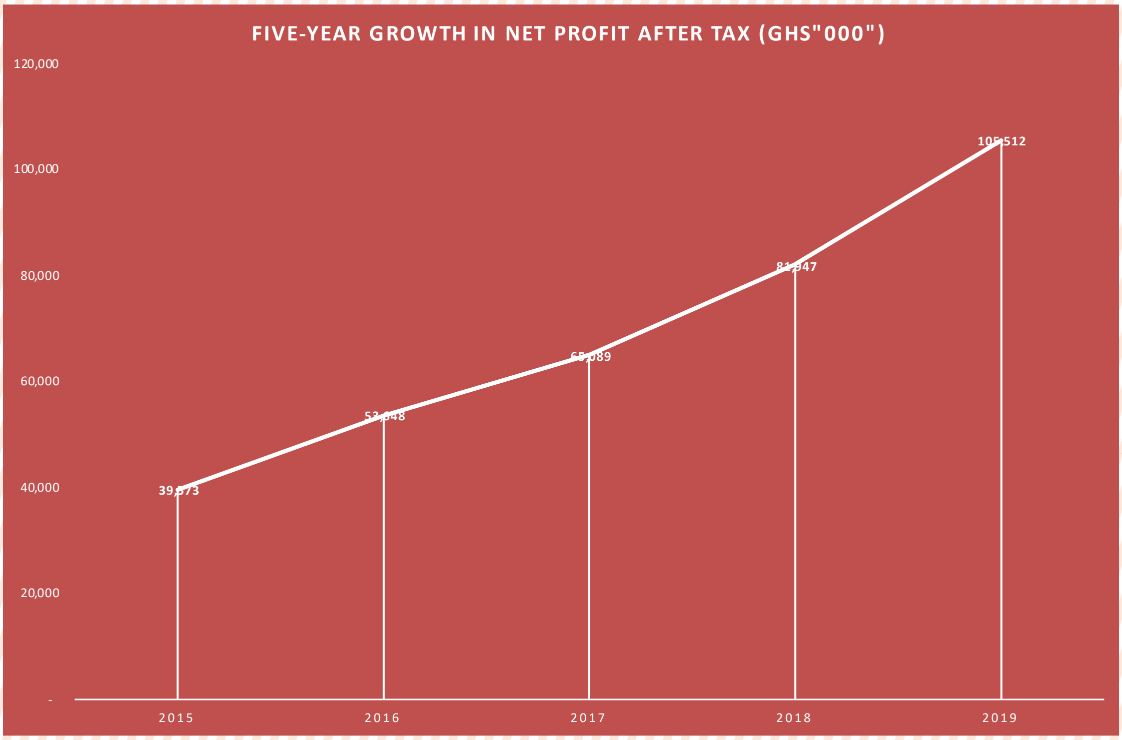
The Bitumen project is ongoing and would be operational during the year 2021. Work regarding the construction of cylinder refilling plant has also started in earnest and the Company hopes to complete the project by 2021.

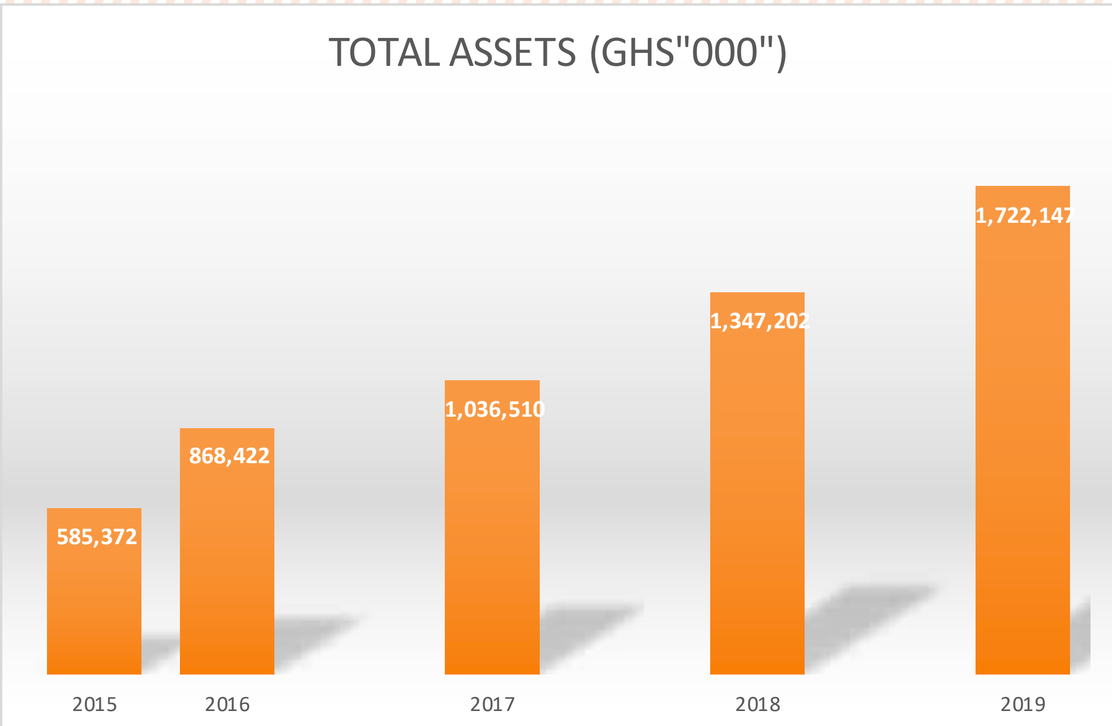
Acknowledgements

On behalf of the Board, Management and the entire staff of GOIL, I would like to take this opportunity to thank our stakeholders for their invaluable contribution towards making GOIL what it is today. GOIL is really fortunate to have you as partners in our efforts towards achievement of a world class status. We are very grateful to shareholders, particularly Ministry of Petroleum and Energy, Ministry of Finance, Social Security National Insurance Trust (SSNIT) and Bulk Oil Storage and Transport Ltd for keeping the flame burning.

The Board cannot express in words how grateful we are to Management and the entire members of staff of GOIL for their relentless devotion towards their duties. Thank you so much.

PERFORMANCE AT A GLANCE (2015-2019)





FIVE-YEAR FINANCIAL REVIEW (2015-2019)

GROUP CONSOLIDATED INCOME STATEMENT

	2019 GHC '000	2018 GHC '000	2017 GHC '000	2016 GHC '000	2015 GHC '000
Gross Revenue	6,945,403	5,701,792	4,669,509	4,111,463	3,760,389
Customs Duties and Levies	(680,738)	(610,168)	(590,946)	(617,072)	(129,391)
Net Revenue	6,264,665	5,091,624	4,078,563	3,494,391	3,630,998
Cost of Sales	(5,894,510)	(4,804,489)	(3,875,756)	(3,316,562)	(3,491,696)
Gross Profit	**370,155**	**287,135**	**202,807**	**177,829**	**139,302**
Sundry Income	24,147	10,063	18,232	15,087	4,600
Depot and Station Expenses	(77,272)	(53,854)	(44,626)	(40,850)	(22,346)
Staff, Selling & Adm Expense	(154,084)	(122,837)	(96,003)	(84,028)	(63,625)
Operating Profit Before Financing Cost	**162,946**	**120,507**	**80,410**	**68,038**	**57,931**
Net Finance Income	(11,425)	(6,369)	4,113	7,032	(1,831)
Profit Before Taxation	151,521	114,138	84,523	75,070	56,100
Income Tax Expense	(46,009)	(32,191)	(19,434)	(21,422)	(16,527)
Net Profit After Tax Attributed to Equity Holders of the Company	**105,512**	**81,947**	**65,089**	**53,648**	**39,573**

FIVE-YEAR FINANCIAL REVIEW (2015-2019) CONT'D

GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2019 GHC '000	2018 GHC '000	2017 GHC '000	2016 GHC '000	2015 GHC '000
NON CURRENT ASSETS					
Property, Plant and Equipment	724,632	570,120	426,368	305,206	188,041
Intangible Asset	791	1,546	2,669	4,204	3,670
Fair Value through Other Comprehensive Income Investments	6,679	7,095	7,230	5,618	9,072
TOTAL NON CURRENT ASSETS	**732,102**	**578,761**	**436,267**	**315,028**	**200,783**
CURRENT ASSETS					
Stocks	102,000	127,211	112,981	47,940	35,491
Accounts Receivable	734,015	540,911	409,671	374,074	310,662
Financial Assets at Amortised Cost	12,602	10,323	8,455	56,836	5,366
Current Tax	0	0	5,166	5,293	0
Cash and Bank Balances	135,578	88,307	63,970	69,251	33,070
TOTAL CURRENT ASSETS	**984,195**	**766,752**	**600,243**	**553,394**	**384,589**
TOTAL ASSETS	**1,716,297**	**1,345,513**	**1,036,510**	**868,422**	**585,372**
EQUITY					
Stated Capital	185,589	185,589	185,589	185,589	31,809
Building Fund	24,372	18,230	13,436	9,575	6,294
Retained Earnings	311,360	227,582	160,659	108,621	63,692
Capital Surplus	6,831	7,248	7,383	5,770	9,224
TOTAL EQUITY	**528,152**	**438,649**	**367,067**	**309,555**	**111,019**
NON CURRENT LIABILITIES					
Deferred Tax	19,538	17,194	12,216	10,107	4,547
Non Current Term Loan	117,913	49,901	-	1,633	12,409
TOTAL NON CURRENT LIABILITIES	**137,451**	**67,095**	**12,216**	**11,740**	**16,956**
CURRENT LIABILITIES					
Bank Overdraft	86,884	49,849	52,567	41,383	67,590
Accounts Payable	902,973	770,731	602,900	494,651	363,040
Current Portion of Term Loan	54,987	17,500	1,760	11,093	20,045
Current Tax	5,850	1,689	-	-	6,722
TOTAL CURRENT LIABILITIES	**1,050,694**	839,769	657,227	547,127	457,397
TOTAL LIABILITIES	**1,188,145**	906,864	669,443	558,867	474,353
TOTAL EQUITY AND LIABILITIES	**1,716,297**	**1,345,513**	**1,036,510**	**868,422**	**585,372**

FIVE-YEAR FINANCIAL REVIEW (2015-2019) CONT'D

COMPANY AUDITED FINANCIAL STATEMENTS

	2019 GH¢'000	2018 GH¢'000	2017 GH¢'000	2016 GH¢'000	2015 GH¢'000
PROFIT AND LOSS ACCOUNT					
Revenue	3,570,967	3,080,508	2,467,872	2,028,369	1,954,505
Cost of Sales	(3,274,205)	(2,850,976)	(2,311,965)	(1,882,756)	(1,844,195)
Gross Profit	**296,762**	**229,532**	**155,907**	**145,613**	**110,310**
Other Income	24,147	10,063	18,232	15,087	4,600
Operating Expense	(207,995)	(157,570)	129,063	(117,770)	(80,410)
Oper Profit before Fin.Cost	**112,914**	**82,025**	**45,076**	**42,930**	**34,500**
Net Finance (Expenses) / Income	(8,650)	(5,830)	4,435	7,068	(1,802)
Profit before Taxation	**104,264**	**76,195**	**49,511**	**49,998**	**32,698**
Taxation	(32,469)	(22,081)	(10,176)	(14,742)	(10,487)
Net Profit After Tax	**71,795**	**54,114**	**39,335**	**35,256**	**22,211**
BALANCE SHEET					
ASSETS					
Non Current Assets	675,695	527,955	412,105	306,682	190,013
Available for Sale Financial Instruments / Investments	8,500	7,125	7,260	5,648	9,102
Stocks	36,707	32,731	42,153	29,594	24,584
Accounts Receivable	571,828	475,426	396,780	313,983	267,302
Short Term Investment	12,602	10,323	8,455	56,836	5,366
Income Tax Asset	0	0	7,346	6,046	
Cash and Bank Balances	58,274	45,944	26,430	39,554	24,867
Total Assets	**1,363,606**	**1,099,504**	**900,529**	**758,343**	**521,234**
LIABILITIES					
Medium Term Loan	117,913	49,901	0	1,633	12,409
Short Term Loan	33,407	17,500	1,760	11,093	20,045
Bank Overdrafts	86,884	49,849	52,567	41,383	67,590
Accounts Payable	692,462	615,499	528,485	420,451	322,304
Deferred Tax	19,620	17,203	12,158	9,982	4,522
Taxation	8230	250	-	-	707
Total Liabilities	**958,516**	**750,202**	**594,970**	**484,542**	**427,577**
SHAREHOLDERS' FUNDS					
Stated Capital	185,589	185,589	185,589	185,589	31,809
Building Fund	18,220	13,763	10,361	7,788	5,426
Retained Earnings	194,450	142,703	102,226	74,654	47,198
Capital Surplus	6,831	7,248	7,383	5,770	9,224
Total	**405,090**	**349,302**	**305,559**	**273,801**	**93,657**
Total Liabilities & Shareholders' funds	**1,363,606**	**1,099,504**	**900,529**	**758,343**	**521,234**

CORPORATE EVENTS & ACTIVITIES

Borehole

Adukrom Water Project

Adwomoku - Water Project

Community Water Project - Apedwa

CORPORATE EVENTS & ACTIVITIES

End of Year Donation

Accra Psychiatric Hospital

Accra Rehabilitation Centre


Village of Hope, Gomoa Fetteh

CORPORATE EVENTS & ACTIVITIES

End of Year Donation

House of St. Francis, Ashaiman


Nyoni Children's Home, Tamale


Weija Leprosarium

CORPORATE EVENTS & ACTIVITIES

End of Year Donation

Legon Presec Blood donation

REPORT OF THE DIRECTORS

ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with the requirements of section 136 of the Companies Act 2019 (Act 992), we the Board of Directors of GOIL Company Limited, present herewith the annual report on the state of affairs of the Company and its Subsidiaries for the year ended December 31, 2019.

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view of GOIL Company Limited and its subsidiaries, comprising the consolidated statement of financial position at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of 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), Securities Industry Act, 2016 (Act 929) and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended. 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 consolidated 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.

We the Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

RESULTS OF OPERATIONS

	Group		Company	
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Gross revenue	**6,945,403**	5,701,792	**4,251,705**	3,690,676
Customs Duties and Levies	**(680,738)**	(610,168)	**(680,738)**	(610,168)
Net revenue	**6,264,665**	5,091,624	**3,570,967**	3,080,508
Profit before taxation	**151,521**	114,138	**104,264**	76,195
from which is deducted;				
provision for estimated income tax of	**(46,009)**	(32,191)	**(32,469)**	(22,081)
leaving a net profit after tax of	**105,512**	81,947	**71,795**	54,114
to which is added the retained earnings				
brought forward from the previous year of	**227,582**	160,659	**142,703**	102,226
	333,094	242,606	**214,498**	156,340
Less:				
final dividend paid; for 2018 at GH¢0.042	**(16,458)**	(10,927)	**(16,458)**	(10,927)
per share (2017 at GH¢0.028 per share)				
transfer to building fund,	**(5,276)**	(4,097)	**(3,590)**	(2,706)
	311,360	227,582	**194,450**	142,708

REPORT OF THE DIRECTORS CONT'D

ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NATURE OF BUSINESS

There was no change in the principal activity of the company as detailed in Section 2 of the Company's Regulations during the year.

OWNERSHIP

The Company was listed on the Ghana Stock Exchange in the year 2007. The Government of Ghana owns 34.23% of the shares while the other 65.77% are owned by individuals and other corporate bodies.

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

The under listed Directors had interest in the ordinary shares of the Company during the year under review, hence the entries recorded in the Interests Register as required by Sections 194(6),195(1)(a) and 196 of the Companies Act 2019, (Act 992).

Name	Number of Shares	Percentage Holding (%)
Mr. Kwame Osei-Prempeh (Hon.)	12,000	0.0031
Mr. Stephen Abu Tengan	2,491	0.0006
Mr. Thomas Kofi Manu	33,077	0.0084
Mrs. Beatrix Agyeman Prempeh	3,200	0.0008
Mrs. Rhoderline Baafour-Gyimah	5,075	0.0013
	55,843	0.0142

SUBSIDIARIES

GOIL Company Limited wholly owned two subsidiaries, Goenergy Company Limited and GOIL Offshore Company Limited. Goenergy Company Limited is permitted by its regulations to carry on, the business of bulk importers, storage, suppliers and bulk distributors and buyers and sellers of petroleum products, whiles the principal activity of GOIL Offshore Company Limited is oil and gas. The Company is also, to provide consultancy and other support services to the West African market.

AUDITOR'S REMUNERATION

A resolution proposing the re-appointment of the Company's auditor's, PKF will be put before the Annual General Meeting in accordance with Section 139(5) of the Companies Act, 2019 (Act 992). Auditor's remuneration for the year which exclude taxes and levies amounted to GH¢280,000.00 (2018: GH¢260,000.00).

DONATION AND CORPORATE SOCIAL RESPONSIBILITY

A total of GHC8,320,000 donation for 2019 (2018: GH¢7,431,000.00) was spent by the Company under social responsibility programmes with key focus on education, health and financial inclusion.

GOING CONCERN

The Board of Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

REPORT OF THE DIRECTORS CONT'D

ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS

The Directors of the Company who held office during the year are as follows:

Name			Date appointed	Date retired
Hon. Peter Kwamena Bartels	-	Chairman	18.05.2017	-
Hon. Kwame Osei-Prempeh	-	CEO/MD	29.11.2019	-
Mr. Thomas Kofi Manu	-	Member	25.07.2012	-
Mr. Beauclerc Ato Williams	-	Member	18.05.2017	-
Mrs. Beatrix Agyeman Prempeh	-	Member	18.05.2017	-
Mr. Robert Owusu Amankwah	-	Member	18.05.2017	-
Mrs. Rhoderline Baafour-Gyimah	-	Member	18.05.2017	-
Mr. Stephen Abu Tengan	-	Member	18.05.2017	-
Madam Philomena Sam	-	Member	01.12.2019	-
Mr. Patrick Akpe Kwame Akorli	-	CEO/MD	01.06.2012	30.11.2019

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

The Company believes in corporate governance principles and we continuously train our Board Members on leadership and corporate governance principles.

We have previously trained our Board Members on the new Companies Act 2019 (Act 992) and we intend to offer subsequent refresher courses to bring them up to date with their statutory duties as directors.

DIVIDEND

A final dividend of GH¢0.045 per share amounting to GH¢17,633,841.00 has been proposed for the year ended 31 December 2019. (2018: GH¢0.042 per share, amounting to GH¢16,458,251.00).

EVENTS AFTER THE REPORTING DATE

The Directors confirm that no matters have arisen since December 31, 2019, which materially affect the financial statements of the Company for the year ended on that date.

ACKNOWLEDGEMENT

The Board of Directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff, management and all stakeholders of the Company over the past year.

APPROVAL OF THE REPORT OF THE DIRECTORS

The report of the Directors of GOIL Company Limited, was approved by the Board of Directors on 18th May, 2020 and signed on their behalf by

....
Director (Hon. Kwamena Bartels)
Date : 18th May, 2020

....
Director (Hon. Kwame Osei-Prempeh)
Date: 18th May, 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GOIL COMPANY LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of GOIL Company Limited which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of GOIL Company Limited as at December 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929) and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Gross trade receivable as at 31 December, 2019, amounted to GH¢574.13 million against which impairment provision of GH¢11.4 million were recorded. We focused on allowance for impairment of trade receivables because the determination of appropriate level of provisioning for impairment requires significant judgement. The basis of the provisions and critical judgements relating to the calculation of the impairment provisions are summarised in note (xiv) in the notes to the financial statements. The judgement reflects information considered by management, including age of the outstanding debts and the debtors' payment history. The gross trade receivables and related impairment provisions are disclosed in note 11 of the financial statements.

How our audit addressed the key audit matter; -

- We updated our understanding and tested the operating effectiveness of management's controls over the trade receivables process;
- We obtained aging analysis of trade receivables and summary payments by debtors of the company and tested subsequent receipts from selected debtors to assess the recoverability of debtors at the yearend;
- We directly confirmed significant trade receivable balances;

INDEPENDENT AUDITOR'S REPORT CONT'D
TO THE MEMBERS OF GOIL COMPANY LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

- We assessed the reasonableness of management's judgement by testing the aging of debtors, and tested the adequacy of impairment allowance (which was based on the expected credit loss (ECL)) made against trade receivables by assessing management's assumptions and reviewing relevant input data; and
- 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 recognition

Revenue is an important measure in terms of business performance and this represents a significant item in the Company's statement of profit or loss and other comprehensive income. Petroleum products sold by the Company to its customers are 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 the Company's performance targets, there's the likelihood to manipulate this measure to achieve a better financial performance. Additionally, we consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period (cut-off). On account of the above, we consider revenue recognition as a key audit matter.

How our audit addressed the key audit matter; -

- We tested and evaluated the design and implementation of relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognition process. We focused on controls over, system access to initiate, process, authorise and record sales transactions; authorization of unit price and system configuration of invoices;
- We reviewed management's assessment of the impact of IFRS 15 - Revenue from contracts with customers;
- We analysed revenue transactions using computer assisted audit and data analysis techniques to test for fictitious and duplicate sales invoices;
- We performed substantive analytical procedures, by computing an expected sale amount and comparing to the recorded sales and investigating any significant variance;
- In order to address the risk of misstatement related to cut-off in revenue recognition, we tested the company's controls around revenue recognition, tested balances recognized in the company's balance sheet and, tested individual transactions occurring either immediately before or after the year end;
- For a selected sample of significant sales transactions, balances beyond materiality was selected for testing and aggregated impact of immaterial balances was also tested using sampling technique. we further traced selected sample back to source documents to ensure that the transactions actually occurred and the amounts were accurate and;
- We evaluated the adequacy of the accounting policies and disclosures on revenue recognition in the 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 Directors report and corporate governance but does not include the consolidated financial statements and auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT CONT'D
TO THE MEMBERS OF GOIL COMPANY LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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

If based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that gives a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929) and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

INDEPENDENT AUDITOR'S REPORT CONT'D
TO THE MEMBERS OF GOIL COMPANY LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

ii. In our opinion proper books of account have been kept by GOIL Company Limited, so far as appears from our examination of those books, and proper returns adequate for audit purposes have been received.

iii. The Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income of GOIL Company Limited are in agreement with the accounting records and returns.

iv) The consolidated financial statements give a true and fair view of the state of affairs of the Group and its results for the year under review.

v) We are independent of the Group in accordance with Section 143 of this Act.

vi) Adequate disclosure has been made in the consolidated financial statements for the directors' emoluments and pension as well as amount due from officers and the amount reported in the consolidated financial statements are in agreement with the accounting records and returns.

vii) The Company has complied with the disclosure requirement under Section 136 of the Companies Act 2019, (Act, 992).

The engagement partner on the audit resulting in this independent auditor's report is **Frederick Bruce-Tagoe (ICAG/P/1087).**

PKF

....

PKF: (ICAG/F/2020/039)
Chartered Accountants
Farrar Avenue
P. O. Box GP 1219,
Accra.

18th May, 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	2019	2018
	Notes	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross Revenue		**6,945,403**	5,701,792	**4,251,705**	3,690,676
Customs Duties and Levies		**(680,738)**	(610,168)	**(680,738)**	(610,168)
Net Revenue		**6,264,665**	5,091,624	**3,570,967**	3,080,508
Cost of Sales		**(5,894,510)**	(4,804,489)	**(3,274,205)**	(2,850,976)
Gross Profit		**370,155**	287,135	**296,762**	229,532
Sundry Income	3	**24,147**	10,063	**24,147**	10,063
Depot and Station Expenses	2a.	**(77,272)**	(53,854)	**(74,709)**	(51,471)
Staff, Selling & Administrative Expenses	2b.	**(154,084)**	(122,837)	**(133,286)**	(106,099)
Operating profit before financing cost		**162,946**	120,507	**112,914**	82,025
Net Finance Income	4	**(11,425)**	(6,369)	**(8,650)**	(5,830)
Profit before Taxation		**151,521**	114,138	**104,264**	76,195
Income Tax Expense	5	**(46,009)**	(32,191)	**(32,469)**	(22,081)
Net profit after tax attributable to equity holders of the company		**105,512**	81,947	**71,795**	54,114
Other Comprehensive Income					
Valuation loss on fair value through other comprehensive income equity investments	20	**(416)**	(135)	**(416)**	(135)
Total Other Comprehensive Income		**(416)**	**(135)**	**(416)**	**(135)**
Total Comprehensive Income for the year		**105,096**	**81,812**	**71,379**	**53,979**
Earning per share (GH¢)	28	**0.269**	0.209	**0.183**	0.138
Dividend per share (GH¢)	21	**0.045**	0.042	**0.045**	0.042

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		Group		Company	
		2019	2018	**2019**	2018
	Notes	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
NON CURRENT ASSETS					
Property, Plant and Equipment	8a	**724,632**	570,120	**675,695**	526,414
Intangible Asset	12	**791**	1,546	**791**	1,546
Fair value through other comprehensive income investments	9a	**6,679**	7,095	**7,709**	7,125
TOTAL NON CURRENT ASSETS		**732,102**	**578,761**	**684,195**	**535,085**
CURRENT ASSETS					
Stocks	10	**102,000**	127,211	**36,707**	32,731
Accounts Receivable	11	**734,015**	540,911	**571,828**	475,426
Financial Assets at Amortised Cost	9c	**12,602**	10,323	**12,602**	10,323
Cash and Bank Balances	13	**135,578**	88,307	**58,274**	45,944
TOTAL CURRENT ASSETS		**984,195**	**766,752**	**679,411**	**564,424**
TOTAL ASSETS		**1,716,297**	**1,345,513**	**1,363,606**	**1,099,504**
EQUITY					
Stated Capital	17	**185,589**	185,589	**185,589**	185,589
Building Fund	18	**24,372**	18,230	**18,220**	13,763
Retained Earnings	19	**311,360**	227,582	**194,450**	142,703
Capital Surplus	20	**6,831**	7,248	**6,831**	7,248
TOTAL EQUITY		**528,152**	**438,649**	**405,090**	**349,302**
NON CURRENT LIABILITIES					
Deferred Tax	7b	**19,538**	17,194	**19,620**	17,203
Non Current Term Loan	16b	**117,913**	49,901	**117,913**	49,901
TOTAL NON CURRENT LIABILITIES		**137,451**	**67,095**	**137,533**	**67,104**
CURRENT LIABILITIES					
Bank Overdraft	14	**86,884**	49,849	**86,884**	49,849
Accounts Payable	15	**902,973**	770,731	**692,462**	615,499
Current tax	7a	**5,850**	1,689	**8,230**	250
Current Portion of Term Loan	16c	**54,987**	17,500	**33,407**	17,500
TOTAL CURRENT LIABILITIES		**1,050,694**	**839,769**	**820,983**	**683,098**
TOTAL LIABILITIES		**1,188,145**	**906,864**	**958,516**	**750,202**
TOTAL EQUITY AND LIABILITIES		**1,716,297**	**1,345,513**	**1,363,606**	**1,099,504**

Approved by the Board on 18th May, 2020.

....Director
Hon. Kwamena Bartels
Chairman

....Director
Hon. Kwame Osei-Prempeh
Group CEO & MD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

GROUP	Stated Capital	Building Fund	Retained Earnings	Capital Surplus	Totals
2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January 2019	185,589	18,230	227,582	7,248	438,649
Net profit for the year	0	0	105,512	0	105,512
Transfer to Building Fund	0	5,276	(5,276)	0	0
Interest Earned on Amount Invested	0	866	0	0	866
Equity investment reserves	0	0	0	(416)	(416)
Dividend paid	0	0	(16,458)	0	(16,458)
Balance at 31 December 2019	**185,589**	**24,372**	**311,360**	**6,831**	**528,152**
2018					
Balance at 1 January 2018	185,589	13,436	160,659	7,383	367,067
Net profit for the year	0	0	81,947	0	81,947
Transfer to Building Fund	0	4,097	(4,097)	0	0
Interest Earned on Amount Invested	0	697	0	0	697
Revaluation Gain on Available for Sale Investments	0	0	0	(135)	(135)
Dividend paid	0	0	(10,927)	0	(10,927)
Balance at 31 December 2018	**185,589**	**18,230**	**227,582**	**7,248**	**438,649**
COMPANY					
2019					
Balance at 1 January 2019	185,589	13,763	142,703	7,248	349,308
Net profit for the year	0	0	71,795	0	71,795
Transfer to Building Fund	0	3,590	(3,590)	0	0
Interest Earned on Amount Invested	0	866	0	0	866
Revaluation Loss on Available for Sale Investments	0	0	0	(416)	(416)
Dividend paid	0	0	(16,458)	0	(16,458)
Balance at 31 December 2019	**185,589**	**18,220**	**194,450**	**6,831**	**405,090**
2018					
Balance at 1 January 2018	185,589	10,361	102,222	7,383	305,559
Net profit for the year	0	0	54,114	0	54,114
Transfer to Building Fund	0	2,706	(2,706)	0	0
Interest Earned on Amount Invested	0	697	0	0	697
Revaluation Gain on Available for Sale Investments	0	0	0	(135)	(135)
Dividend paid	0	0	(10,927)	0	(10,927)
Balance at 31 December 2018	**185,589**	**13,763**	**142,708**	**7,248**	**349,308**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Cash flow from operating activities				
Operating Profit	**151,521**	114,138	**104,264**	76,195
Adjustment for:				
Depreciation and Amortisation charges	**49,447**	33,496	**47,111**	31,838
Profit on sale of Property, Plant and Equipment	**(139)**	(77)	**(139)**	(77)
Net effect of over provision of Corporate Tax	**(133)**	6,401	**(133)**	6,401
Interest and Dividend Received	**(3,901)**	(1,831)	**(3,901)**	(1,831)
Interest Paid	**15,326**	8,200	**12,551**	7,661
Operating Profit Before Working Capital Changes	**212,121**	**160,327**	**159,753**	**120,187**
Change in Stocks	**25,211**	(14,230)	**(3,976)**	9,422
Change in Accounts Receivable	**(193,109)**	(131,240)	**(96,407)**	(78,646)
Change in Accounts Payable	**132,241**	167,831	**76,963**	87,008
Cash generated from operations	**176,464**	**182,688**	**136,333**	**137,971**
Company Tax Paid	**(39,504)**	(29,776)	**(22,072)**	(18,858)
Net Cash Inflow from Operating activities	**136,960**	**152,912**	**114,261**	**119,113**
Cash flows from Investing activities				
Interest and Dividend Received	**3,901**	1,831	**3,901**	1,831
Interest paid	**(15,326)**	(8,200)	**(12,551)**	(7,661)
Increase in Investment	**1,000**	0	**0**	0
Acquisition of Property, Plant and Equipment	**(203,200)**	(176,270)	**(195,637)**	(147,833)
Receipt from disposal of Property, Plant and Equip.	**139**	223	**139**	223
Net Cash Outflows from Investing Activities	**(213,486)**	**(182,416)**	**(204,148)**	**(153,440)**
Net Cash Outflows Before Financing	**(76,526)**	**(29,504)**	**(89,887)**	**(34,327)**
Cash flows from Financing Activities				
Changes in Term Loan	**105,499**	65,641	**83,919**	65,641
Dividend paid	**(16,458)**	(7,214)	**(16,458)**	(7,214)
Net Cash Inflows from Financing Activities	**89,041**	**58,427**	**67,461**	**58,427**
Net Increase/(Decrease) in Cash and Cash Equivalents	**12,515**	28,923	**(22,426)**	24,100
Cash and Cash Equivalents at 1 January	**48,781**	19,858	**6,418**	(17,682)
Cash and Cash Equivalents at 31 December	**61,296**	**48,781**	**(16,008)**	**6,418**
Cash and Cash Equivalents				
Cash at Bank and in Hand	**135,578**	88,307	**58,274**	45,944
Bank Overdraft	**(86,884)**	(49,849)	**(86,884)**	(49,849)
Financial Assets at Amortised Cost	**12,602**	10,323	**12,602**	10,323
	61,296	**48,781**	**(16,008)**	**6,418**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Corporate Information

GOIL Company Limited, a public company limited by shares, was incorporated and domicile in Ghana under the Companies Act, 2019 (Act 992). The Group is permitted by its regulations to carry on, the business of marketing quality petroleum and other energy products and services in all its branches in a healthy, safe, environmentally friendly and socially responsible manner. The address of the registered office of the Group is 'D 659/4, Kojo Thompson Road, P. O. Box 3183, Accra'.

b. Statement of Compliance

The financial statements have been prepared in accordance with all International Financial Reporting Standards, including International Accounting Standards and interpretations issued by the International Accounting Standards Board and its committees, as required by the Institute of Chartered Accountants (Ghana).

c. Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities that are stated at their fair values: financial instruments that are at fair value through profit or loss; financial instruments classified as available-for-sale; and property, plant and equipment.

d. Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRSs requires Management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and other factors that are reasonable under the circumstances, the results of which form the basis of making the judgement about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e. Functional and presentation currency

The financial statements are presented in Ghana Cedis (GH¢), which is the Group's functional and presentational currency.

f. Summary of Significant Accounting Policies

The significant accounting policies adopted by GOIL Company Limited under the International Financial Reporting Standards (IFRSs) are set out below.

i. Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group activities. Revenue is shown net of value-added tax (VAT), rebates and discount.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

i. Revenue cont'd

Revenue is recognised as follows:

- Sales of goods are recognised in the period in which the Group has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer acceptance of the products. Delivery does not occur until the products have been accepted by the customer.
- Sales of services are recognised in the period in which the service are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a percentage of the total services to be provided.
- Interest income is recognised on a time proportion basis using the effective interest rate method.

ii. Financial Assets and Financial Liabilities

IFRS 9 Financial Instruments

All financial assets and liabilities are recognised in the statements of financial position and measured in accordance with their assigned category. Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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 of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9 derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model, the Group takes into consideration the following factors:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets
- how the performance of assets in a portfolio is evaluated and reported to management and other key decision makers within the Group's business lines;
- the risks that affect the performance of assets held within a business model and how those risks are managed;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

- how compensation is determined for the Group's business lines' management that manages the assets; and
- the frequency and volume of sales in prior periods and expectations about future sales activity.

Management determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

- Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows;
- Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
- Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Group considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the financial year and/or occurs at most once during the quarter or at most three (3) times within the financial year.
- Where these sales are infrequent even if significant in value. A sale of financial assets is considered infrequent if the sale is one-off during the financial year and/or occurs at most once during the quarter or at most three (3) times within the financial year.
- Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.
- Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:
    - Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
    - Selling the financial asset to manage credit concentration risk (infrequent).
    - Selling the financial assets as a result of changes in tax laws (infrequent).
    - Other situations also depend upon the facts and circumstances which need to be judged by the management.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below – Comparative periods generally have not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9. The Group used the exemption not to restate comparative periods but considering that the amendments made by IFRS 9.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of the business model within which a financial asset is held.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.
- If a debt security had low credit risk at the date of initial application of IFRS 9, then the Group has assumed that credit risk on the asset had not increased significantly since its initial recognition.

Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Initial measurement of financial instruments

Financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss - When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net trading income. In those cases, where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Classification and Measurement categories of financial assets and liabilities

From 1 January 2018, the Group has classified all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

The Group may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies. Before 1 January 2018, the Group classified its financial assets as receivables (amortised cost), FVPL, available-for-sale or held-to-maturity (amortised cost). Financial liabilities are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

The solely payment of principal and interest (SPPI) test.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Classification and Measurement categories of financial assets and liabilities cont'd

As a second step of its classification process the Group assesses the contractual terms of financial instrument to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Equity instruments at FVOCI (Policy applicable from 1 January 2018)

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI and are not held for trading. Such classification is determined on an instrument-by- instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in statement of comprehensive income as other operating income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

Debt issued and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when criteria set are met.

Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions - The Group derecognises a financial asset, such as trade receivables, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new trade receivable, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised trade receivable is classified as Stage 1 for ECL measurement purposes, unless the new trade receivable is deemed to be 'purchased or originated credit-impaired financial assets' (POCI assets).

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Overview of the expected credit loss (ECL) principles

The adoption of IFRS 9 has fundamentally changed the Group's trade receivable loss impairment method by replacing IAS 39's incurred loss approach with a forward-looking ECL approach. From 1 January 2018, the Group has been recording the allowance for expected credit losses for all trade receivable.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12 months ECL).

The 12 months ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12 months ECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Stage 1, Stage 2, Stage 3

- **Stage 1:** When trade receivables are first recognised, the Group recognises an allowance based on 12m ECLs. Stage 1 trade receivable also include balances where the credit risk has improved and the amount has been reclassified from Stage 2.
- **Stage 2:** When a trade receivable has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 receivables also include balances, where the credit risk has improved and the amount has been reclassified from Stage 3.
- **Stage 3:** trade receivable considered credit-impaired. The Group records an allowance for the LTECLs.

The calculation of expected credit loss (ECLs)

The Group calculates ECLs based on a four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows;

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

The calculation of expect credit loss (ECLs) cont'd

Stage 1: The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the financial statement months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When account balance has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR

Stage 3: For account balances considered credit-impaired the Group recognises the lifetime expected credit losses for these balances. The method is similar to that for Stage 2 assets, with the PD set at 100%.

- Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, breach of contract and default or delinquency in payments (more than 182 days overdue), are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

iii. Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of assets is the greater of their net selling price and value in use. The impairment losses are recognized in the statement of income.

Depreciation is computed for all items of Property, Plant and Equipment other than Capital Work-in-Progress, using the straight-line method, at the following annual rates:

Freehold Land and Buildings	2%
Leasehold Land and Buildings	2.5%
Plant, Machinery and Equipment	20%
Furniture and Equipment	10%
Motor Vehicles – Tanker and Trucks	20%
Motor Vehicles – Others	25%
Computers	50%

Repairs and maintenance are charged to the income statement when the expenditure is incurred. Improvements to Fixed Assets are capitalized.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining net income.

iv. Translation of Foreign Currencies

The Group's functional currency is the Ghana Cedi. In preparing the balance sheet of the Group, transactions in currencies other than Ghana Cedis are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

iv. Translation of Foreign Currencies cont'd

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of income. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in shareholders' equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the shareholders' equity.

v. Cash and Cash Equivalents

For the purposes of statement of cashflows and cash equivalents include cash, balances with Banks, financial institutions and short term government securities maturing in three months or less from the date of acquisition.

vi. Leases

The Group has adopted IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the rights to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Group assesses whether the contract meets the key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use
- the Group has the right to direct the use of the identified asset throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet.

The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Measurement and recognition of leases as a lessee cont'd

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in trade and other payables.

The Company as a lessor

The Group's accounting policy under IFRS 16 has not changed from the comparative period.

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

vii. Provision

Provisions for restructuring costs, legal claims and similar events are recognised when: The Group has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

viii. Deferred Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognised 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.

ix. Current Taxation

The Group provides for income taxes at the current tax rates on the taxable profits of the Group.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

x. Dividends on Ordinary Shares

Dividends on ordinary shares are recognised on equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events notes.

Interim dividends are recognised when paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

xi. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as non-current liabilities where the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

xii. Borrowing Cost

Borrowing costs shall be recognised as an expense in the period in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset.

The capitalisation of borrowing costs as part of the cost of a qualifying asset shall commence when: expenditures for the asset are being incurred; borrowing costs are being incurred; and activities that are necessary to prepare the asset for its intended use or sale are in progress

Capitalisation of borrowing cost shall be suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

xiii. Inventories

Inventory is stated at the lower of cost or net realisable value. Costs of inventories includes, the purchase price, and related cost of acquisition. The cost of inventory is determined using weighted average cost formula.

xiv. Impairment of Non-financial Assets

In line with IFRS 9, the Group assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Equity instruments and financial assets measured at FVTPL are not subjected to impairment under the standard.

Expected Credit Loss Impairment Model

The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

- **Stage 1** – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Expected Credit Loss Impairment Model cont'd

- **Stage 2** – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- **Stage 3** – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Group obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.
- Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Group obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.
- EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Measurement of Expected Credit Losses cont'd

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Group considers its account monitoring and payment processing policies including its ability to prevent further drawings during periods of increased credit risk. CCF is applied on the off balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off balance sheet exposures.

xv. Employee Benefits

- **Short-Term Benefits**

  Short-term employee benefits are amounts payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

  The cost of short-term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund or a reduction in future cash payment.

  Wages and salaries payable to employees are recognised as an expense in the statement of profit or loss at gross amount. The Group's contribution to social security fund is also charged as an expense.

- Social Security and National Insurance Trust (SSNIT)

  Under a National Deferred Benefit Pension Scheme, the Group contributes 13% of employees' basic salary to SSNIT for employee pensions. The Group's obligation is limited to the relevant contributions, which are settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

- End of Service Benefit Scheme

  The Group has an End of Service Benefit Scheme for all permanent employees. The Group sets aside 10% Gross Basic Salaries into the fund. The Group's obligation under the plan is limited to the relevant contribution attributable to each individual staff member.

xvi. Events after the Financial Position date

The Group adjusts the amounts recognised in its financial statements to reflect events that provide evidence of conditions that existed at the balance sheet date.

Where there are material events that are indicative of conditions that arose after the balance sheet date, the Group discloses, by way of note, the nature of the event and the estimate of its financial effect, or a statement that such an estimate cannot be made.

xvii. Earnings per share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

xviii. New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2019, and have not been applied in preparing these financial statements. These are disclosed as follows:

- **IAS 1 "Presentation of Financial Statements**

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and are to be applied retrospectively. Earlier application is permitted.

- **IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors**

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendment is effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

- **IFRS 3 Business Combinations**

IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

- **IFRS 4 Insurance Contracts**

IFRS 4 "Insurance Contracts" applies, with limited exceptions, to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. In light of the IASB's comprehensive project on insurance contracts, the standard provides a temporary exemption from the requirements of some other IFRSs, including the requirement to consider IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" when selecting accounting policies for insurance contracts.

The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. The IASB also tentatively decided to defer the fixed expiry date for the temporary exemption to IFRS 9 in IFRS 4 by one year so that all insurance entities must apply IFRS 9 for annual periods on or after January 1, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

- **IFRS 17**

  IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. The IASB also tentatively decided to defer the fixed expiry date for the temporary exemption to IFRS 9 in IFRS 4 by one year so that all insurance entities must apply IFRS 9 for annual periods on or after January 1, 2022.

		Group		Company	
		2019	2018	**2019**	2018
		GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
2.a	**DEPOT AND STATION EXPENSES;**				
	Includes depreciation; -GH¢40,074,000 (2018 - GH¢25,486,000)				
b.	**SELLING AND ADMINISTRATION EXPENSES;**				
	Include the following:-				
	Depreciation and Amortisation	**9,372**	8,085	**7,369**	6,501
	Directors Fees & Expenses	**3,944**	1,722	**3,415**	1,503
	Auditor's Remuneration	**280**	260	**190**	180
	Donation and Corporate Social Responsibility	**8,320**	7,431	**5,861**	5,519
3.	**SUNDRY INCOME**				
	Exchange Gain	**16,068**	3,772	**16,068**	3,772
	Contractors Registration	**5**	6	**5**	6
	Miscellaneous Income	**353**	2,011	**353**	2,011
	Commission	**149**	139	**149**	139
	Various Rent	**4,714**	4,058	**4,714**	4,058
	Discount Received	**2,719**	0	**2,719**	0
	Profit on Sale of Property, Plant and Equipment	**139**	77	**139**	77
		24,147	**10,063**	**24,147**	**10,063**
4.	**NET FINANCE (EXPENSES)/INCOME**				
	Interest and Dividend Income	**3,901**	1,831	**3,901**	1,831
	Bank loan interest and Other Finance Charges	**(15,326)**	(8,200)	**(12,551)**	(7,661)
		(11,425)	**(6,369)**	**(8,650)**	**(5,830)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	**2019**	2018
		GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
5.	**TAXATION**				
	Current Tax	**43,665**	27,213	**30,052**	17,036
	Deferred Tax Charge	**2,344**	4,978	**2,417**	5,045
		46,009	32,191	**32,469**	22,081

		Group		Company	
		2019	2018	**2019**	2018
		GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
6.	**RECONCILIATION OF EFFECTIVE TAX**				
	Profit before tax less rent income	**146,807**	110,081	**99,550**	72,138
	Tax at applicable tax rate at 25%(2018 - 25%)	**36,702**	27,520	**24,888**	18,035
	Tax effect of non-deductible expenses	**24,581**	15,369	**22,109**	14,386
	Tax effect of non-chargeable income	**(35)**	(19)	**(35)**	(19)
	Tax effect of capital allowances	**(18,290)**	(16,266)	**(17,617)**	(15,975)
	Tax effect on rent income	**707**	609	**707**	609
	Origination/(reversal) of temporary differences	**2,344**	4,978	**2,417**	5,045
		46,009	32,191	**32,469**	22,081
	Effective tax rate (%)	**30.36**	28.20	**31.14**	28.98

		Balance at	Tax Paid/	Charge	Balance at
7a.	**CURRENT TAX**	1 January	Refund	to P&L	31 Dec.
	GROUP	GH¢'000	GH¢'000	GH¢'000	GH¢'000
	Up to 2016	(346)	0	0	(346)
	2017	2,250	2,377	0	4,627
	2018	(3,593)	2,826	0	(767)
	2019	0	34,301	(43,665)	(9,364)
	Total	(1,689)	39,504	(43,665)	(5,850)
	COMPANY				
	2017	2,270	0	0	2,270
	2018	(2,520)	0	0	(2,520)
	2019	0	22,072	(30,052)	(7,980)
	Total	(250)	22,072	(30,052)	(8,230)

Tax position up to 2016 year of assessment have been agreed with the tax authorities. The remaining liabilities are however subject to agreement with the tax authorities.

The amount provided for Income Tax is calculated at the rate of 25% of the Adjusted Profit and is subject to agreement with Ghana Revenue Authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019	2018	**2019**	2018
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
7b. DEFERRED TAXATION				
Balance at 1 January	**17,194**	12,216	**17,203**	12,158
Charge for the year	**2,344**	4,978	**2,417**	5,045
Balance at 31 December	**19,538**	**17,194**	**19,620**	**17,203**

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2018 - 25%).

8a. PROPERTY, PLANT AND EQUIPMENT

GROUP	F'HOLD LAND & BUILD-INGS	L'SEHOLD LAND & BUILD-INGS	PLANT MACH. & EQUIP.	MOTOR VEHICLES	FURN. & EQUIP.	COMPUT-ERS & ACCESS.	CAPITAL WORK IN PRO-GRESS	TOTAL
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost / Valuation								
Balance at 01.01.2019	1,195	274,226	232,439	28,588	9,584	4,666	155,929	706,627
Additions during the year	0	4,056	16,429	12,330	1,640	1,196	167,549	203,200
Transfers during the year	0	28,234	17,096	0	0	0	(45,330)	0
Disposals during the year	0	0	0	(2,200)	0	0	0	(2,200)
Balance at 31.12.2019	**1,195**	**306,516**	**265,964**	**38,718**	**11,224**	**5,862**	**278,148**	**907,627**
Depreciation								
Balance at 01.01.2019	165	20,376	91,157	17,630	3,669	3,506	0	136,503
Charges during the year	24	5,275	34,775	6,315	1,080	1,223	0	48,692
Disposal during the year	0	0	0	(2,200)	0	0	0	(2,200)
Balance at 31.12.2019	**189**	**25,651**	**125,932**	**21,745**	**4,749**	**4,729**	**0**	**182,995**
Net Book Value								
31 December 2019	**1,006**	**280,865**	**140,032**	**16,973**	**6,475**	**1,133**	**278,148**	**724,632**
31 December 2018	**1,030**	**253,850**	**141,282**	**10,958**	**5,915**	**1,160**	**155,925**	**570,120**

Fixed Assets were valued in 1985 and 1988. Landed properties, Furniture and equipment, Plant, machinery and equipment were again revalued in December 1999 and in December 2000 on Open Market basis by Owusu Adjapong and Company and messrs Propicon.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

8b. PROPERTY, PLANT AND EQUIPMENT

COMPANY	F'HOLD LAND & BUILD-INGS	L'SE-HOLD LAND & BUILD-INGS	PLANT MACH. & EQUIP.	MOTOR VEHI-CLES	FURN. & EQUIP.	COMPUT-ERS & AC-CESS.	CAPITAL WORK IN PRO-GRESS	TOTAL
	GH₵'000	GH₵'000	GH₵'000	GH₵'000	GH₵'000	GH₵'000	GH₵'000	GH₵'000
Cost / Valuation								
Balance at 01.01.2019	1,195	233,502	232,069	23,645	8,001	4,065	155,929	658,406
Additions during the year	0	1,200	15,135	9,981	1,076	696	167,549	195,637
Transfers during the year	0	28,234	17,096	0	0	0	(45,330)	0
Disposals during the year	0	0	0	(2,200)	0	0	0	(2,200)
Balance at 31.12.2019	**1,195**	**262,936**	**264,300**	**31,426**	**9,077**	**4,761**	**278,148**	**851,843**
Depreciation								
Balance at 01.01.2019	165	20,376	91,045	14,331	3,100	2,975	0	131,992
Charges during the year	24	5,275	34,442	4,960	753	902	0	46,356
Disposal during the year	0	0	0	(2,200)	0	0	0	(2,200)
Balance at 31.12.2019	**189**	**25,651**	**125,487**	**17,091**	**3,853**	**3,877**	**0**	**176,148**
Net Book Values								
31 December 2019	**1,006**	**237,285**	**138,813**	**14,335**	**5,224**	**884**	**278,148**	**675,695**
31 December 2018	**1,030**	**213,126**	**141,024**	**9,314**	**4,901**	**1,090**	**155,929**	**526,414**

Fixed Assets were valued in 1985 and 1988. Landed properties, Furniture and equipment, Plant, machinery and equipment were again revalued in December 1999 and in December 2000 on Open Market basis by Owusu Adjapong and Company and Messrs Propicon.

	Group		Company	
	2019	2018	**2019**	2018
	GH₵'000	GH₵'000	**GH₵'000**	GH₵'000
9a. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME INVESTMENTS				
Ghana Bunkering Services Ltd.	**222**	222	**222**	222
Investment in Subsidiary (Note 9b)	**0**	0	**1,030**	30
Total (Ghana) Ltd.	**3,122**	3,538	**3,122**	3,538
Tema Lube Oil Company Ltd.	**11**	11	**11**	11
Metro Mass Transit Company Limited	**414**	414	**414**	414
JUHI	**2,910**	2,910	**2,910**	2,910
	6,679	7,095	**7,709**	7,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	**2019**	2018
		GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
9b.	**INVESTMENT IN SUBSIDIARIES**				
	Goenergy Company Limited			**30**	30
	Goil Offshore Company Limited			**1,000**	0
				1,030	30

This represent GOIL Company Limited investment in two subsidiaries. Goenergy Company Limited is permitted by its regulations to carry on, the business of bulk importers, storage, suppliers and bulk distributors and buyers and sellers of petroleum products, whiles the principal activity of GOIL Offshore Company Limited is oil and gas, the company is also, to provide consultancy and other support services to the West African market.

Fair value through other comprehensive income investments of the above companies are made up of equity shares.

		Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
9c.	**FINANCIAL ASSETS AT AMORTISED COST**				
	Fixed Deposit	**12,602**	10,323	**12,602**	10,323
10.	**STOCKS & GOODS IN TRANSIT**				
	Trading : Fuel	**75,694**	94,576	**10,401**	1,735
	Lubricants	**12,781**	11,750	**12,781**	11,750
	L.P. Gas	**105**	100	**105**	100
		88,580	106,426	**23,287**	13,585
	Non Trading : Materials	**13,420**	20,785	**13,420**	19,146
		102,000	127,211	**36,707**	32,731
11.	**ACCOUNTS RECEIVABLE**				
	Trade Receivable	**574,127**	464,166	**441,689**	399,888
	Other Receivable	**162,422**	75,823	**131,314**	74,616
	Staff Receivable	**172**	75	**172**	75
	Prepayments	**8,696**	6,100	**8,696**	6,100
		745,417	546,164	**581,871**	480,679
	Less: Impairment Loss on Financial Instruments	**(11,402)**	(5,253)	**(10,043)**	(5,253)
		734,015	540,911	**571,828**	475,426

The maximum amount owed by the staff in thousands of Ghana Cedis did not at one particular time exceed : **2019 GH¢ 172.00 (2018: GH¢75.00)**

Prepayments - This represents the unexpired portion of certain expenditure spread on a time basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	2019	2018
12.	INTANGIBLE ASSETS	GH¢'000	GH¢'000	GH¢'000	GH¢'000
	Balance at 1 January	8,742	8,742	8,742	8,742
	Additions during the year	0	0	0	0
	Balance at 31 December	8,742	8,742	8,742	8,742
	Amortisation				
	Balance at 1 January	7,196	6,073	7,196	6,073
	Amortisation for the year	755	1,123	755	1,123
	Balance at 31 December	7,951	7,196	7,951	7,196
	Carrying amount				
	At 31 December	791	1,546	791	1,546
	This relates to the cost of rebranding and computer software.				
13.	CASH AND BANK BALANCES				
	Current Account	135,549	88,280	58,245	45,917
	Cash in Hand	29	27	29	27
		135,578	88,307	58,274	45,944
14.	BANK OVERDRAFT				
	GCB Bank Limited	1,892	0	1,892	0
	Universal Merchant Bank Limited	8,171	6,662	8,171	6,662
	Prudential Bank Limited	20,413	7,034	20,413	7,034
	First Atlantic Bank Limited	6,391	2,529	6,391	2,529
	Ecobank Ghana Limited	21,775	22,997	21,775	22,997
	Stanbic Bank Ghana Limited	839	351	839	351
	Societe Generale Ghana Limited	19,053	9,395	19,053	9,395
	Barclays Bank Ghana Limited	284	787	284	787
	United Bank for Africa Ghana Limited	8,066	0	8,066	0
	Others	0	94	0	94
		86,884	49,849	86,884	49,849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

Universal Merchant Bank Limited

The company has an overdraft facility of GH¢18,000,000 with Universal Merchant Bank Limited at an interest rate of 18.0% and the facility expires on 30 September, 2020.

Prudential Bank Limited

The company has an overdraft facility of GH¢30,000,000 with Prudential Bank Ghana Limited at an interest rate of 18% and the facility expires on 30 November, 2020.

First Atlantic Bank Limited

The company has an overdraft facility of GH¢15,000,000 with First Atlantic Bank Limited at an interest rate of 18.0% and the facility expires on 31 August, 2020.

Ecobank Ghana Limited

The company has an overdraft facility of GH¢50,000,000 with Ecobank Ghana Limited at an interest rate of 18.0% and the facility expires on 31 March, 2020.

Societe Generale Ghana Limited

The company has an overdraft facility of GH¢27,000,000 with Societe Generale Ghana Limited at an interest rate of 16.61% and the facility expired on 30 November, 2019. Though the facility expired on 30 November 2019, at the time of the audit it had been renewed with the same terms and conditions.

		Group		Company	
		2019	2018	**2019**	2018
		GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
15.	**ACCOUNTS PAYABLE**				
	Trade Payable	**658,178**	592,564	**469,780**	423,070
	Other Payable	**243,378**	177,573	**221,786**	191,933
	Accruals	**1,417**	594	**896**	490
		902,973	**770,731**	**692,462**	**615,493**
16a.	**TERM LOAN**				
	Balance as at I January	**67,401**	1,760	**67,401**	1,760
	Addition during the year	**118,432**	70,000	**96,852**	70,000
	Loan repayment	**(12,933)**	(4,359)	**(12,933)**	(4,359)
		172,900	**67,401**	**151,320**	**67,401**
16b.	**LONG TERM PORTION**				
	Medium Term Loan	**117,913**	49,901	**117,913**	49,901
		117,913	**49,901**	**117,913**	**49,901**
16c.	**SHORT TERM PORTION**				
	Medium Term Loan	**54,987**	17,500	**33,407**	17,500
		54,987	17,500	**33,407**	17,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

First Atlantic Bank

The bank per a letter dated 12 July, 2019 renewed a medium term loan facility of GH¢30,000,000 to the company for a period of 48 months. The facility is due to expire in November, 2022 and interest rate is 18.0% per annum (inclusive of six month moratorium on principal repayment). The facility is to finance capital expenditure.

United Bank for Africa Ghana Limited

The bank granted a medium term loan facility of GH¢40,000,000 to the company. The facility is due to expire in May, 2022 and interest rate is 18.0% per annum. The facility is to finance capital expenditure.

An additional term loan of USD$23,000,000.00 (to be availed in Cedis) was granted by the bank to the company during the year. The facility is for a period of five (5) years with an interest rate of 17.97%. The facility is to finance the construction of two (2) carousel plant at Tema and Kumasi.

GCB Bank Limited

The bank per a letter dated 17th June, 2019 granted a term loan facility of GH¢50,000,000 to the company. The facility is due to expire in June, 2024 and interest rate is 18.0% per annum with a moratorium of fourteen (14) months on Principal repayments only from date of first disbursement. The facility is to support the construction of a new Bitumen Depot.

Access Bank Ghana Limited

The bank per a letter dated 19th September, 2019 granted a medium term loan facility of GH¢25,000,000 to the company for a period of 48 months. The facility is due to expire in September, 2023 and interest rate is 18.0% per annum. The facility is to support the leasing of Retail Outlets.

		2019 GH¢'000	2018 GH¢'000
17.	**STATED CAPITAL**		
	Number of authorised shares	**1,000,000,000**	1,000,000,000
	Total number of issued shares	**391,863,128**	391,863,128
	Issued for Cash	**155,000**	155,000
	issued for consideration other than cash	**10,339**	10,339
	Transfer from retained earnings	**20,250**	20,250
		185,589	185,589
	There is no unpaid liability on any share and there are no shares in treasury.		
18.	**BUILDING FUND**		
	This is an amount set aside from profits for the construction of Head Office Building.		
	Balance at 1 January	**18,230**	13,436
	Transfer from retained earnings	**5,276**	4,097
	Interest earned on amount invested	**866**	697
	Balance at 31 December	**24,372**	18,230

19. RETAINED EARNINGS

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

20. CAPITAL SURPLUS

This is surplus arising from the revaluation of property, plant and equipment in 1985, 1988 and 2000 by Owusu-Adjapong and Company and Messrs Propicon. It also includes movements in the market price of fair value through other comprehensive income investments of 1,040,528 shares held in Total Petroleum Ghana Limited as a result of the adoption of International Financial Reporting Standards.

	Equity investment reserves GH¢'000	Revaluation surplus GH¢'000	2019 GH¢'000	2018 GH¢'000
Balance at 1 January	3,341	3,906	**7,248**	7,383
Revaluation	(416)	0	**(416)**	(135)
Balance at 31 December	**2,925**	**3,906**	**6,831**	7,248

21. DIVIDEND

	2019 GH¢'000	2018 GH¢'000
Final Dividend paid was GH¢0.042 per Share (2017; GH¢0.028	**16,458**	10,972
per Share) Payments during the year	**(16,458)**	(10,972)
	0	0

A final dividend of **GH¢0.045** per share amounting to **GH¢17,633,841** has been proposed for the year ended 31 December 2019. (2018: GH¢0.042 per share, amounting to GH¢16,458,251)

22. FINANCIAL RISK MANAGEMENT (GROUP)

The company has exposure to the following risks from its use of financial instruments;

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established the Audit and Finance committee, which are responsible for developing and monitoring the company's risk management policies in their specified areas. The team includes selected members of executive management and report regularly to the Board of Directors on their activities.

The company's risk management policies are established to identify and analyse the risks faced by the 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 company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The company's Audit and Finance Committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of risk management framework in relation to the risks faced by the company. This committee is assisted in these functions by a risk management structure in all the units of the company which ensures a consistent assessment of risk management control and procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

22. FINANCIAL RISK MANAGEMENT (GROUP) CONT'D

Credit risk

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

Trade and other receivables

The company's exposure to credit risk is a little bit higher as sales are made to various customers. These are individuals owning service stations, the company's owned service stations run by the company's marketing officers and insititutions across the country. The risk is managed by the company by reducing both the amount and period of credit extended. This is done by the credit risk department whose job is to assess the financial health of their customers, and extend credit (or not) accordingly.

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of risk and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for homogeneous assets in respect of losses that have been incurred but not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

Exposure to credit risks (Group)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

		Group		Company	
		2019	2018	**2019**	2018
	NOTE	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Fair value through other comprehensive income investments	9a	**6,679**	7,095	**7,709**	7,125
Loans and Receivables	11	**734,015**	540,911	**571,828**	475,426
Cash and Cash Equivalents	13	**135,578**	88,307	**58,274**	45,944
		876,272	636,313	**637,811**	528,495

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was;

Public Institutions	**574,127**	464,166	**441,689**	399,888

Impairment Losses (Group)

	2019		2018	
	Gross	**Impairment**	Gross	Impairment
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Past due after 0 - 180 days	**574,127**	**562,725**	464,166	458,913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

22. FINANCIAL RISK MANAGEMENT (GROUP) CONT'D

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

	2019	2018
	GH₵'000	GH₵'000
Trade Receivables	574,127	464,166
Impairment loss recognised	(11,402)	(5,253)
Balance at 31 December	**562,725**	458,913

Based on historical default rates, the company believes that no impairment is necessary in respect of trade receivables past due up to 180 days.

Liquidity risk

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

The following are contractual maturities of financial liabilities (Group);

31 December 2019

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH₵'000	GH₵'000	GH₵'000	GH₵'000
Secured bank loans	172,900	27,494	27,494	117,913
Trade and other payables	902,973	902,973	0	0
Bank overdraft	86,884	86,884	0	0
Balance at 31 December 2019	**1,162,757**	**1,017,351**	**27,494**	**117,913**

31 December 2018

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH₵'000	GH₵'000	GH₵'000	GH₵'000
Secured bank loans	67,401	8,750	8,750	49,901
Trade and other payables	770,731	770,731	0	0
Bank overdraft	49,849	49,849	0	0
Balance at 31 December 2018	**887,981**	**829,330**	**8,750**	**49,901**

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 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 the return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

22. FINANCIAL RISK MANAGEMENT (GROUP) CONT'D

Foreign currency risk

The company is exposed to currency risk as there are transactions and balances denominated in currencies other than the functional currency.

Interest rate risk

Profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was;

	Carrying amount	
	2019	2018
Variable rate instrument	**GH¢'000**	GH¢'000
Financial liabilities	**259,784**	117,250

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2019 and also at 31 December 2018.

23. FAIR VALUES (GROUP)

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet are as follows;

	31 December 2019		31 December 2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Loans and Receivables				
Trade and Other Receivables	**734,015**	**734,015**	540,911	540,911
Cash and Cash Equivalents	**135,578**	**135,578**	88,307	88,307
Financial Assets at Amortised Cost	**12,602**	**12,602**	10,323	10,323
	882,195	**882,195**	639,541	639,541
Available for Sale Financial Instrument				
Long Term Investment	**6,679**	**6,679**	7,095	7,095
Other Financial Liabilities				
Secured Bank Loan	**172,900**	**172,900**	67,401	67,401
Trade and Other Payables	**902,973**	**902,973**	770,732	770,731
Bank Overdraft	**86,884**	**86,884**	49,849	49,849
	1,162,757	**1,162,757**	887,981	887,981

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

24. CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the balance sheet date as at 31 December 2019 and also as at 31 December 2018.

25. EMPLOYEE BENEFITS

Deferred Contribution Plans

Social Security

Under a National Deferred Benefit Pension Scheme, the company contributes 13% of employee basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pension. The company's obligation is limited to the relevant contribution, which were settled on due dates. The pension liabilities and obligations however, rest with SSNIT.

Provident Fund

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

		2019	2018
26.	**RELATED PARTY TRANSACTIONS**	**GH₵'000**	GH₵'000
	Payables to related party	**388,642**	293,697

This amount represents balances outstanding from the purchase of petroleum products from and other non-trading transactions with Goenergy Company Limited which is wholly owned by GOIL Company Limited.

The amounts owed to the subsidiary is unsecured, interest free, and have no fixed term of repayment. The balance will be settled in cash. No guarantees have been given or received.

Remuneration of Executive Director and other key management personnel		
Salaries and other short term benefits	**6,456**	4,006
Employer social security charges on emoluments	**825**	372
Provident Fund	**571**	400
	7,852	4,778

27. NUMBER OF ORDINARY SHARES IN ISSUE

Earning, Dividend per share are based on 391,863,128, (2018; 391,863,128).

28. BASIC EARNINGS PER SHARE (GROUP)

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

Profit attributable to equity holders	**105,512**	81,947
Number of ordinary shares ('000)	**391,863**	391,863
Basic earnings per share (Ghana cedis per share)	**0.269**	0.209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

29. CONTINGENT LIABILITIES

Claims that could arise from pending suits against the company at the year-end amounted to GH¢89,640,809.53 and USD$2,000,000.00 (2018; GH¢74,674,809.53 and USD$2,000,000.00)

Claims that could arise from pending suits in favour of the company at the year-end amounted to USD$571,345.00 (2018; USD$571,345.00)

30. SUBSEQUENT EVENT

In December 2019, a novel strain of coronavirus was reported to have appeared in Wuhan, China. The COVID-19 outbreak is now a pandemic and there are fears it could lead to a catastrophic global economic crisis. The spread of this virus has caused business disruption beginning in January 2020, leading to a decline in the sale of petroleum products. While the slowing down in the purchase of petroleum products is currently expected to be temporary, there is uncertainty around the duration of this slow down or the possibility of other effects on the business. The disruption in business leading to sharp drop in the world prices and low demand of petroleum products is expected to have a material adverse impact on the Company's business, financial condition, and results of operation.

As at the date of the signing of the financial statements, it is not possible to reliably estimate the financial effect, if any, of the virus on the Company's operations. The Directors will continue to monitor the impact COVID-19 has on it and reflect the consequences as appropriate in the accounting and reporting during the course of year 2020.

31. TWENTY LARGEST SHAREHOLDERS

	Shareholders	Number of Shares	Percentage Holding (%)
1.	GOVERNMENT OF GHANA	134,123,596	34.23
2.	SOCIAL SECURITY & NATIONAL INSURANCE TRUST	97,965,798	25.00
3.	BULK OIL STORAGE AND TRANSPORT	78,372,626	20.00
4.	TXT GROUP B. V.	17,749,995	4.53
5.	SCGN/ENTERPRISE LIFE ASSO. CO.	4,036,947	1.03
6.	HOPEFIELD CAPITAL LIMITED	2,732,578	0.70
7.	SCGN/EPACK INVESTMENT FUND LIMITED	2,299,500	0.59
8.	STD NOMS TVL PTY/ENTERPRISE TIER 3	1,571,651	0.40
9.	MR. VICTOR KODJO V. K. DJANGMAH	785,375	0.20
10.	SCGN/GH. MED. ASSOC. PENSION FUND	754,562	0.19
11.	SCBN/DATABANK BALANCE FUND LTD.	705,086	0.18
12.	SCGN/ENTERPRISE TIER 2 OCCUPATIONAL	695,062	0.18
13.	GES OCCUPATIONAL PENSION SCHEME	666,772	0.17
14.	STD NOM/METLIFE CLASSIC FUND	590,732	0.15
15.	HFCN/EDC GHANA BALANCED FUND LIMITED	559,460	0.14
16.	MR. PATRICK AKPE KWAME AKORLI	522,218	0.13
17.	SIC GENERAL BUSINESS	472,215	0.12
18.	MR. ERASMUS OFORI-SARKWA	419,257	0.11
19.	ZBGC/CEDAR PENSION FUND	402,088	0.10
20.	ZBGC/CEDAR PROVIDENT FUND	355,162	0.09
	TOTALS OF TWENTY LARGEST SHAREHOLDERS	**345,780,680**	**88.24**
	TOTALS OF OTHERS	**46,082,448**	**11.76**
	GRAND TOTALS	**391,863,128**	**100.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2019

32. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	8,719	4,030,394	1.03
1,001 - 5,000	5,050	10,012,475	2.56
5,001 - 10,000	861	5,692,688	1.45
Over 10,000	791	372,127,571	94.96
		391,863,128	**100.00**

33. REGISTER CATEGORY

Category	Numbers of Shareholders	Number of Shares	Percentage Holding (%)
Non-Depository	8,752	16,006,974	4.08
Depository (CSD)	6,669	375,856,154	95.92
	15,421	**391,863,128**	**100.00**

34. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES	% OF ISSUED SHARES
Mr. Kwame Osei-Prempeh (Hon.)	12,000	0.0031
Mr. Stephen Abu Tengan	2,491	0.0006
Mr. Thomas Kofi Manu	33,077	0.0084
Mrs. Beatrix Agyeman Prempeh	3,200	0.0008
Mrs. Rhoderline Baafour-Gyimah	5,075	0.0013
	55,843	**0.0142**

NOTES

PROXY FORM

I/We ....
of.. being a member/members of GOIL Company Limited hereby appoint .... or failing him/her the Chairman as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 20th August, 2020 at 11:00 am and at any adjournment thereof.

This form is to be used:

1.	In favour of *against	The Resolution to adopt the Reports of the Directors and the Financial Statements of the Company for the year ended December 31, 2019
2.	In favour of *against	The Resolution to declare a dividend with respect to the Year ended December 31, 2019 as recommended by the Directors.
3.	In favour of *against	The re-election of Mr. Robert Owusu Amankwah
	In favour of *against	The re-election of Mr. Thomas Kofi Manu
	In favour of *against	The re-election of Mr. Stephen Abu Tengan
4.	In favour of *against	The Resolution to authorize the Directors to fix the remuneration of the Auditors
5.	In favour of *against	The Resolution to fix the remuneration of Directors
6.	In favour of *against	The Resolution to change the name of Company to GOIL Company Limited (PLC)
7.	In favour of *against	The Resolution to amend the Company's Regulations/Constitution to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so
8.	In favour of *against	The Resolution to effect all changes in the Company's Regulations/Constitution to make it compliance with the new Companies Act 2019 (922)

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 7 above, the resolution to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

*Strike out whichever is not desired.

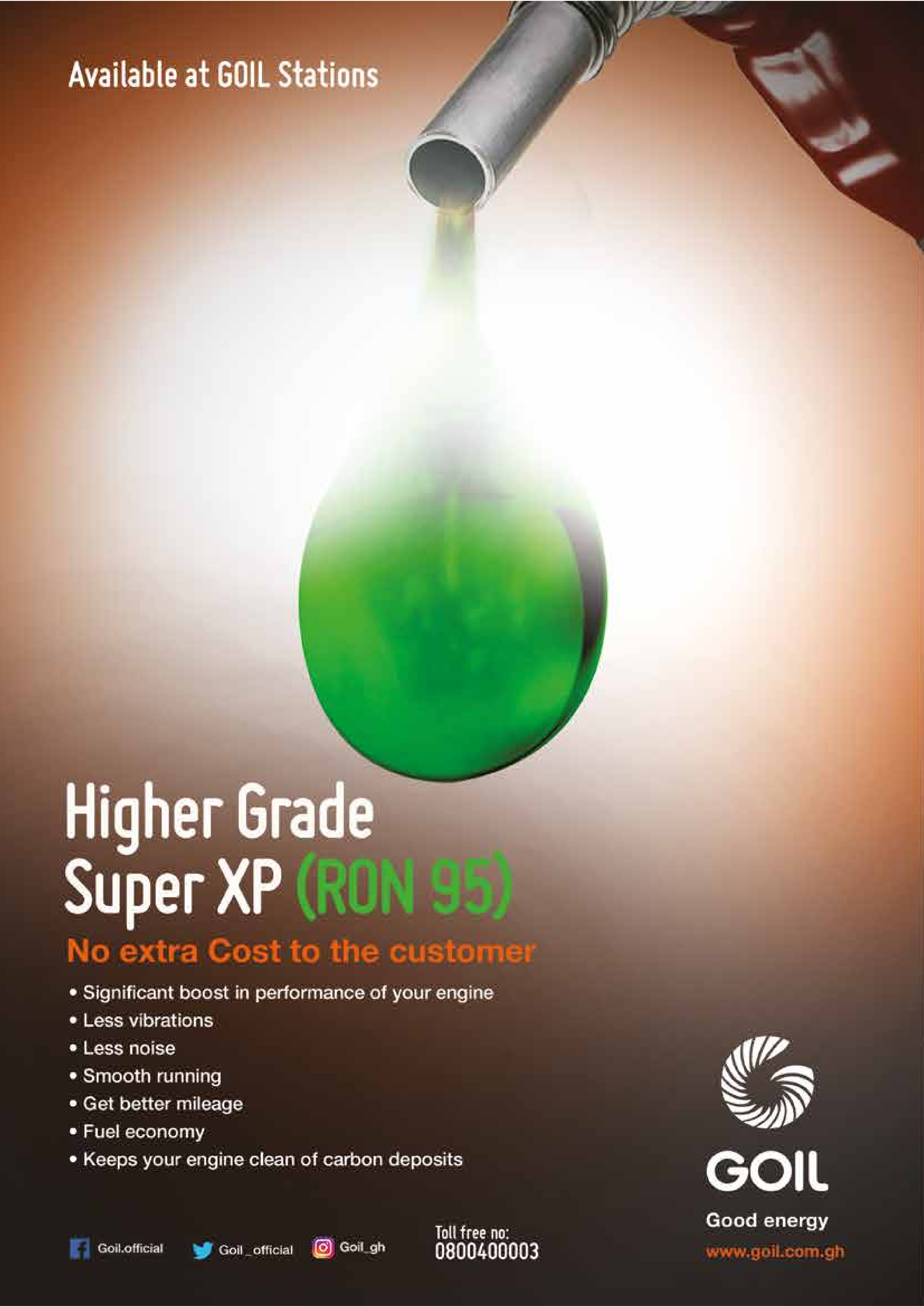
.... signed this day of 2020
Signature of Shareholder

Cut here

IMPORTANT: Before posting the Form of Proxy above, please tear off this part and retain it – see over. If you wish to insert in the blank space on the form the name of any person, whether a Member of the company or not, who will attend the meeting and vote on your behalf, you may do so; if you do not insert a name, the Chairman of the Meeting will vote on your behalf. If this Form is returned without any indication as to how the person appointed a proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting. To be valid, this Form must be completed and sent via email to **registrars@nthc.com.gh** or deposited at the registered office of the Company or the Registrars of the Company at GOIL Company Limited, Head Office, Junction of Kojo Thompson & Adjabeng Roads, (Building No. D659/4), Adabraka, Accra, P. O. Box, GP 3183, Accra, **not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting.**

This Form is only to be completed if you will NOT attend the Meeting.

NOTES



Available at GOIL Stations
Higher Grade
Super XP (RON 95)
No extra Cost to the customer
• Significant boost in performance of your engine
• Less vibrations
• Less noise
• Smooth running
• Get better mileage
• Fuel economy
• Keeps your engine clean of carbon deposits
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