

TOTAL PETROLEUM GHANA LIMITED
CONDENSED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Group 2018	Group 2017	Company 2018	Company 2017
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Assets				
Property, plant and equipment	314,724	305,620	255,878	241,565
Intangible assets and goodwill	13,021	13,198	12,966	13,116
Investment in associates	3,475	3,526	12	12
Leasehold prepayments	5,579	1,452	5,579	1,452
Long term leases	52,775	44,073	52,775	44,073
Investment in subsidiary	-	-	4,774	6,274
Total non-current assets	<u>389,574</u>	<u>367,869</u>	<u>331,984</u>	<u>306,492</u>
Inventories	79,720	82,378	79,368	82,026
Current tax asset	15,128	15,530	15,128	15,530
Trade and other receivables	297,802	218,734	296,639	216,652
Amounts due from related companies	7,606	5,681	13,446	11,171
Cash and cash equivalents	<u>55,095</u>	<u>30,281</u>	<u>54,765</u>	<u>28,933</u>
	455,351	352,604	459,346	354,312
Assets held for sale	<u>528</u>	-	<u>528</u>	-
Total current assets	<u>455,879</u>	<u>352,604</u>	<u>459,874</u>	<u>354,312</u>
Total assets	<u>845,453</u>	<u>720,473</u>	<u>791,858</u>	<u>660,804</u>
Equity				
Stated capital	51,222	51,222	51,222	51,222
Income surplus	145,295	113,085	154,772	119,310
Non-controlling interest	<u>(6,682)</u>	<u>(2,835)</u>	-	-
Total equity	<u>189,835</u>	<u>161,472</u>	<u>205,994</u>	<u>170,532</u>
Liabilities				
Bank overdraft	75,585	79,520	75,585	79,520
Loans and borrowings	19,203	7,535	5,357	-
Trade and other payables	413,434	330,128	410,795	326,968
Amount due to related companies	<u>85,901</u>	<u>80,208</u>	<u>80,508</u>	<u>76,213</u>
Total current liabilities	<u>594,123</u>	<u>497,391</u>	<u>572,245</u>	<u>482,701</u>
Loans and borrowings	54,126	54,039	6,250	-
Deferred tax liability	2,056	2,258	2,056	2,258
Provisions	<u>5,313</u>	<u>5,313</u>	<u>5,313</u>	<u>5,313</u>
Total non-current liabilities	<u>61,495</u>	<u>61,610</u>	<u>13,619</u>	<u>7,571</u>
Total liabilities	<u>655,618</u>	<u>559,001</u>	<u>585,864</u>	<u>490,272</u>
Total liabilities and equity	<u>845,453</u>	<u>720,473</u>	<u>791,858</u>	<u>660,804</u>

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DIRECTOR

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DIRECTOR

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Group 2018 GH¢'000	Group 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Revenue	2,381,106	1,858,478	2,370,975	1,848,493
Cost of sales				
	<u>(2,156,637)</u>	<u>(1,677,236)</u>	<u>(2,151,974)</u>	<u>(1,672,113)</u>
Gross profit	224,469	181,242	219,001	176,380
Other income	20,283	16,415	20,279	16,371
General, administrative and selling expense	<u>(164,241)</u>	<u>(137,770)</u>	<u>(156,429)</u>	<u>(131,999)</u>
Operating profit before financing costs/ income	80,511	59,887	82,851	60,752
Finance income	651	382	651	382
Finance costs	<u>(20,243)</u>	<u>(16,133)</u>	<u>(15,535)</u>	<u>(12,024)</u>
Share of profit from associate, net of tax	<u>(51)</u>	<u>1,411</u>	<u>-</u>	<u>-</u>
Profit before taxation	60,868	45,547	67,967	49,110
Income tax expense	<u>(17,603)</u>	<u>(12,915)</u>	<u>(17,603)</u>	<u>(12,915)</u>
Profit for the year	43,265	32,632	50,364	36,195
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>43,265</u>	<u>32,632</u>	<u>50,364</u>	<u>36,195</u>
Profit/total comprehensive income attributed to:				
Owners of the company	47,112	34,871	-	-
Non-controlling interest	<u>(3,847)</u>	<u>(2,239)</u>	<u>-</u>	<u>-</u>
Basic earnings per share (Ghana cedi per share)	0.4211	0.3117	0.4502	0.3235
Diluted earnings per share (Ghana cedi per share)	0.4211	0.3117	0.4502	0.3235

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

Group	Stated Capital GH¢'000	Income Surplus GH¢'000	Non- Controlling Interest GH¢'000	Total Equity GH¢'000
Balance at 1 January 2018	51,222	113,085	(2,835)	161,472
Total comprehensive income for the year				
Profit for the year	-	47,112	(3,847)	43,265
Total comprehensive income for the year	-	47,112	(3,847)	43,265
Transaction with equity holders				
Dividend paid	-	(14,902)	-	(14,902)
Total transactions with equity holders	-	(14,902)	-	(14,902)
Balance at 31 December 2018	<u>51,222</u>	<u>145,295</u>	<u>(6,682)</u>	<u>189,835</u>
Balance at 1 January 2017	51,222	98,116	(596)	148,742
Total comprehensive income for the year				
Profit for the year	-	34,871	(2,239)	32,632
Total comprehensive income for the year	-	34,871	(2,239)	32,632
Transaction with equity holders				
Dividend paid	-	(19,902)	-	(19,902)
Total transactions with equity holders	-	(19,902)	-	(19,902)
Balance at 31 December 2017	<u>51,222</u>	<u>113,085</u>	<u>(2,835)</u>	<u>161,472</u>
Company	Stated Capital GH¢'000	Income Surplus GH¢'000	Total Equity GH¢'000	
Balance at 1 January 2018	51,222	119,310	170,532	
Total comprehensive income for the year				
Profit for the year	-	50,364	50,364	
Total comprehensive income for the year	-	50,364	50,364	
Transaction with equity holders				
Dividend paid	-	(14,902)	(14,902)	
Total transactions with equity holders	-	(14,902)	(14,902)	
Balance at 31 December 2018	<u>51,222</u>	<u>154,772</u>	<u>205,994</u>	
Balance at 1 January 2017	51,222	103,017	154,239	
Total comprehensive income for the year				
Profit for the year	-	36,195	36,195	
Total comprehensive income for the year	-	36,195	36,195	
Transaction with equity holders				
Dividend paid	-	(19,902)	(19,902)	
Total transactions with equity holders	-	(19,902)	(19,902)	
Balance at 31 December 2017	<u>51,222</u>	<u>119,310</u>	<u>170,532</u>	

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Group 2018 GH¢'000	Group 2017 GH¢'000	Company 2018 GH¢'000	Company 2017 GH¢'000
Cash flows from operating activities				
Profit after taxation	43,265	32,632	50,364	36,195
Adjustments for:				
Foreign exchange loss/(gains)	5,536	4,968	228	2,105
Depreciation charges	33,944	26,874	28,632	21,619
Amortisation of leasehold prepayment	328	69	328	69
Amortisation of intangible assets	199	198	172	170
Amortisation of long-term lease	1,313	2,893	1,313	2,893
Interest income	(651)	(382)	(651)	(382)
Provision	-	1,060	-	1,060
Interest expense	20,243	16,133	15,535	12,024
Tax expense	17,603	12,915	17,603	12,915
Profit on disposal of plant and equipment	(139)	(1,014)	(139)	(1,014)
Write off of PPE	789	-	789	-
Impairment of Subsidiary	-	-	1,500	-
Share of profit/loss from associate	51	(1,411)	-	-
	<u>122,481</u>	<u>94,935</u>	<u>115,674</u>	<u>87,654</u>
Change in inventories	2,658	(12,790)	2,658	(12,790)
Change in trade and other receivables	(73,810)	(49,750)	(74,737)	(50,744)
Change in trade and other payables	83,179	65,757	83,902	67,972
Change in related party balances	3,541	35,515	1,763	35,121
Cash generated from operations	<u>138,049</u>	<u>133,667</u>	<u>129,260</u>	<u>127,213</u>
Interest received	651	382	651	382
Interest paid	(19,746)	(15,040)	(15,178)	(12,024)
Income taxes paid	(17,403)	(16,643)	(17,403)	(16,643)
Net cash flow from operating activities	<u>101,551</u>	<u>102,366</u>	<u>97,330</u>	<u>98,928</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(45,115)	(74,574)	(45,012)	(74,574)
Purchase of software	(22)	(32)	(22)	(32)
Proceeds from sale of plant and equipment	889	2,296	889	2,296
Payment for leasehold premium	(4,455)	(1,309)	(4,455)	(1,309)
Principal payment for leases contracted	(15,416)	(22,731)	(15,416)	(22,731)
Net cash flow used in investing activities	<u>(64,119)</u>	<u>(96,350)</u>	<u>(64,016)</u>	<u>(96,350)</u>
Cash flows used in financing activities				
Dividend paid	(14,902)	(19,902)	(14,902)	(19,902)
Proceeds from loans	15,000	-	15,000	-
Payments for loans	(8,963)	(2,770)	(3,750)	-
Net cash flow used in financing activities	<u>(8,865)</u>	<u>(22,672)</u>	<u>(3,652)</u>	<u>(19,902)</u>
Net decrease in cash and cash equivalents	<u>28,567</u>	<u>(16,656)</u>	<u>29,662</u>	<u>(17,324)</u>
Analysis of changes in cash and cash equivalents during the year				
Balance at 1 January	(49,239)	(32,444)	(50,587)	(33,141)
Net decrease in cash and cash equivalents	28,567	(16,656)	29,662	(17,324)
Effect of foreign exchange fluctuation on cash held	182	(139)	105	(122)
Balance at 31 December	<u>(20,490)</u>	<u>(49,239)</u>	<u>(20,820)</u>	<u>(50,587)</u>
Analysis of balances of cash and cash equivalents as shown in the balance sheet				
Cash and bank balances	<u>(20,490)</u>	<u>(49,239)</u>	<u>(20,820)</u>	<u>(50,587)</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Reporting entity

Total Petroleum Ghana Limited (“the Company”) is a company registered and domiciled in Ghana. The address of the company’s registered office is Total House, 25 Liberia Road, Accra. The company is authorised to carry on the business of marketing petroleum and allied products. The financial statements of the company as at and for the year ended 31 December 2018 comprise the separate financial statements and the consolidated financial statements of the company and its subsidiary, (together referred to as the ‘Group’ and individually as ‘Group entities’).

2. Basis of accounting

a. Statement of compliance

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

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

b. Basis of measurement

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

c. Functional and presentational currency

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

d. Use of estimates and judgement

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

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

Judgements

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

- lease classification

Assumptions and estimation uncertainties

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

- determination of fair values
- recognition of deferred tax assets
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources



INDEPENDENT AUDITOR'S REPORT

To the Members of Total Petroleum Ghana Limited

Opinion

The condensed consolidated and separate financial statements, which comprise the statements of financial position as at 31 December 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Total Petroleum Ghana Limited for the year ended 31 December 2018.

In our opinion, the accompanying condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the basis described in the notes.

Condensed Consolidated and Separate Financial Statements

The condensed consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179) applied in the preparation of the audited consolidated and separate financial statements of Total Petroleum Ghana Limited. Reading the condensed consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 28 March 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the condensed consolidated and separate financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

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

KPMG

For and on behalf of:

KPMG: (ICAG/F/2019/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELNKPE

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ACCRA

28 March,2019