Vivo Energy Ghana Plc Annual Report & Accounts 2023


Shell
V-Power
Premium
Fuel!
Gives you better
performance
Our best ever performance and efficiency.
#Unbeatable
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Actual effects and benefits may vary according to vehicle type, vehicle condition and driving style.
No guarantees provided. See www.vivoenergy.com for more information.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of Shareholders of **Vivo Energy Ghana Limited (the "Company")** will be held **VIRTUALLY via Microsoft Teams and streamed live by video** link from the Head Office of Vivo Energy Ghana Limited on **Thursday 25 July 2024 at 10:00am** to transact the following business:

AGENDA

1. To appoint new Directors.
2. To re-elect existing Directors.
3. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31 December 2023.
4. To declare dividends.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To approve the remuneration of Directors.

NOTE

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

DATED THIS 2ND DAY OF JULY 2024

BY ORDER OF THE BOARD

NAA SHIOKOR BOI-BI-BOI
COMPANY SECRETARY

We are energising Ghana: empowering our people, customers, partners and communities to create opportunities across the country.

We are doing business the right way to grow, enhance profitability and build a more sustainable future.

We are creating a bigger, bolder and better company to support Ghana's growth through the provision of high-quality fuels and lubricants for individuals and industries. We are building on our strengths and giving more energy to our country.

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2023 highlights

Revenues
(GHS million)
5,637.88

Volumes
(million litres)
490.42

Service stations added
(net total)
7

Net income
(GHS million)
71.35

Adjusted EBITDA
(GHS million)
174.09

Total recordable case frequency
(per million exposure hours)
0.0

We are a leading distributor and retailer of Shell-branded fuels and lubricants

Retail

Retail remains the engine that powers our growth. At the end of 2023, our network stood at 244 service stations across the country.

RETAIL FUEL

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

NON-FUEL RETAIL

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

Volumes
(million litres)

416 +1%

Gross cash profit[1]
(GHS million)

632 +43%

Gross cash unit margin[2]
(GHS/'000 litres)

765 +12%

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

Commercial

Our commercial business offers reliable supply of high-quality fuels, lubricants and after-sales support to a wide range of customers in various sectors.

CORE COMMERCIAL

Supplying construction, commercial road transporters (Hauliers), manufacturing and industrial companies, power and agro-forestry with bulk fuel at customer facilities.

AVIATION

Offering aviation fuel using a well-resourced joint user hydrant facility.

Volumes
(million litres)

59.32 -1%

Gross cash profit
(GHS million)

76.4 +32%

Gross cash unit margin
(GHS/'000 litres)

1,177 +56%

Lubricants

Our company's scope includes supplying lubricants to both Retail and Commercial sectors in Ghana.

RETAIL LUBRICANTS

Providing products to consumers at our service station forecourts and lubricant bays and also at oil shops, repair shops, service centres and resellers through a network of distributors. This comprehensive approach enables us to reach a diverse range of consumers and businesses, meeting their lubrication needs effectively and efficiently.

COMMERCIAL LUBRICANTS

Providing tailored lubrication solutions to meet the unique needs of mining companies and B2B clients, ensuring optimal performance and efficiency in their operations.

Volumes
(million litres)

15.18 -3%

Gross cash profit
(GHS million)

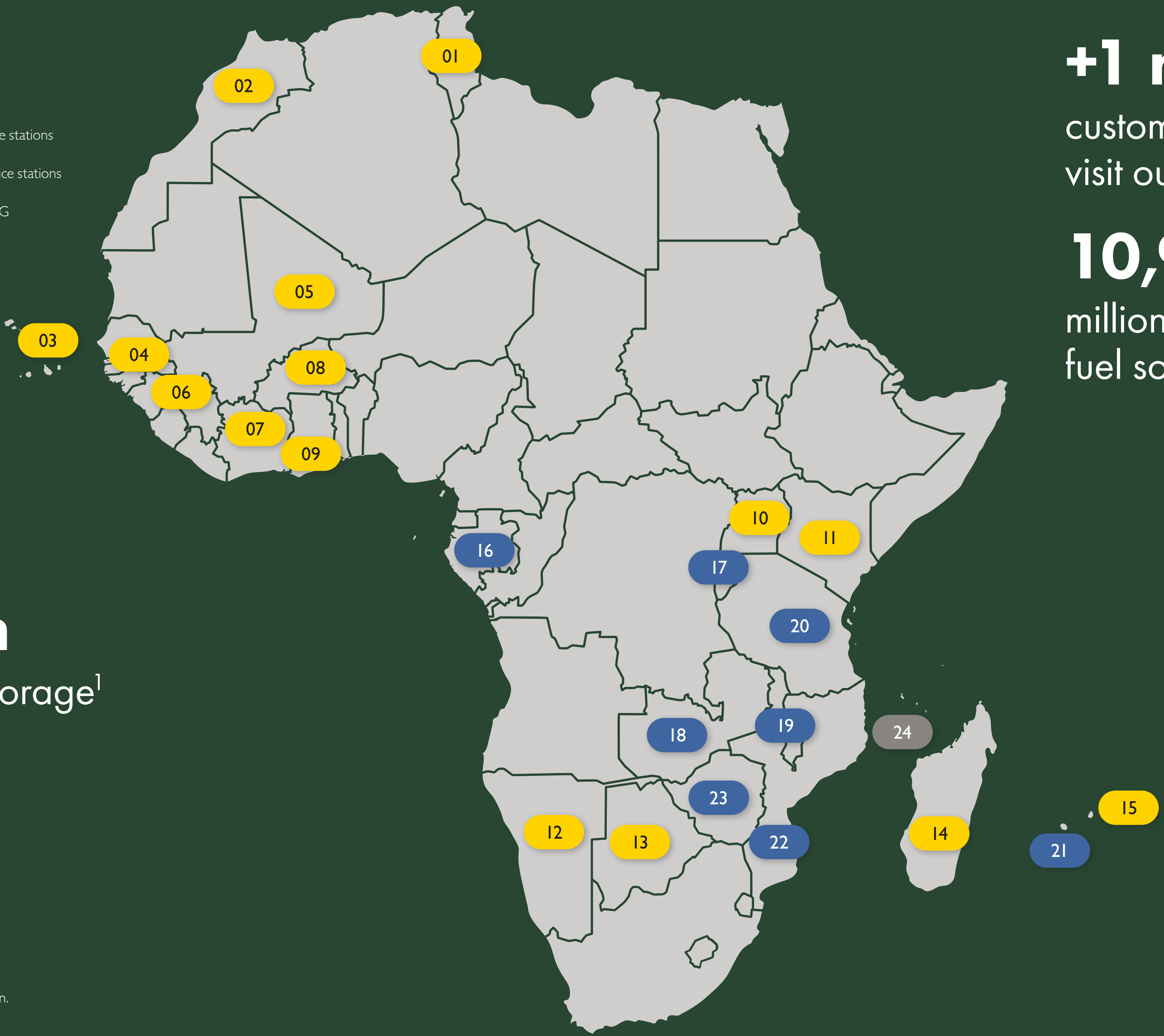
64,696 -15%

Gross cash unit margin
(GHS/'000 litres)

4,263 -13%

Our group operates in 24 African markets

- Our markets with Shell-branded service stations
- Our markets with Engen-branded service stations
- Our market with Somagaz-branded LPG



+1 million
customers per day visit our sites

10,973
million litres of fuel sold in 2023

24
markets[1]

+1 million
cubic metres of storage[1]

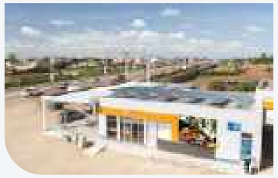
2,738
service stations

1 Information as at 31 December 2023. Excludes potential markets following the completion of the Engen transaction.

Two leading brands

7. Côte d'Ivoire

Total Volume	826
Service stations	254



12. Namibia

Total Volume	447
Service stations	75

8. Burkina Faso

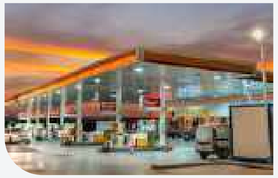
Total Volume	312
Service stations	119

13. Botswana

Total Volume	253
Service stations	85

1. Tunisia

Total Volume	1,106
Service stations	173



4. Senegal

Total Volume	618
Service stations	149

9. Ghana

Total Volume	490
Service stations	244

14. Madagascar

Total Volume	255
Service stations	77

2. Morocco

Total Volume	2,222
Service stations	421

5. Mali

Total Volume	249
Service stations	55

10. Uganda

Total Volume	548
Service stations	184

15. Mauritius

Total Volume	436
Service stations	51

3. Cape Verde

Total Volume	215
Service stations	27

6. Guinea

Total Volume	512
Service stations	139

11. Kenya

Total Volume	1,342
Service stations	315

ENGEN

20. Tanzania

Total Volume	108
Service stations	41

21. Reunion

Total Volume	213
Service stations	35

16. Gabon

Total Volume	78
Service stations	24

18. Zambia

Total Volume	131
Service stations	59

22. Mozambique

Total Volume	155
Service stations	50

17. Rwanda

Total Volume	129
Service stations	50

19. Malawi

Total Volume	74
Service stations	46

23. Zimbabwe

Total Volume	39
Service stations	65

24. Mayotte

New market added in December 2023 to bottle and distribute Somagaz-branded LPG.

Total volume is measured in million litres and excludes volume related to supply trading not allocated to countries.

Bigger, Bolder, Better

Dear Shareholders,

It is my pleasure to welcome you to present our report for the year 2023.

To begin with, I would like to express my gratitude to you for your trust and confidence in our ability to manage your investments, to our employees for their hard work and dedication and to our customers for their loyalty to our brand.

Reflecting on the past fiscal year, we have navigated through a dynamic and challenging environment. The macro-economic challenges of 2022 persisted in 2023, with inflation posting a marked reduction but the other indicators showing mixed signals. The Ghana economy's year-on-year inflation, even though still high, fell to 23.2% in December 2023, compared to 54.1% the previous year, reflecting a more stable exchange rate and the effects of monetary policy tightening during the year. Projected GDP growth was estimated to have slowed to 2.9% in 2023, down from 3.2% in 2022. The local currency, though weakened, was relatively more stable compared to the previous year, recording a 13% depreciation against the dollar, while the lending rate remained elevated at over 30%. During the year, although oil prices were significantly lower than in 2022, they remained high, impacting costs and overall demand. Despite these external macro-economic challenges, the management, with the support of employees and all stakeholders, was able to make good progress towards the set objectives of the year.

Over the years, Vivo Energy Ghana has built a resilient and committed team through the implementation of key initiatives on personal growth, wellness and inclusivity that have significantly contributed to the development and wellbeing of employees, while also strengthening our organisational capabilities. We have created a culture where we listen to employees' genuine concerns and take actionable steps for improvement through a periodic employee engagement survey. In the 2023 survey, there was an unprecedented response rate of 98%, where employees assured among other things that they (99%) felt Vivo Energy was well respected in our market and that they (97%) were proud of Vivo Energy's contribution to the community and society. We will continue to leverage this culture of mutual respect and open communication among our people to deliver business growth.

Our HSSE focus areas for 2023 included an Electrical Integrity Audit at all our operational assets in line with Group standards, Road Transport contractors' HGV maintenance system of critical equipment, and competence training for all safety critical staff. Our safety campaign covered a period of seven months, focusing on various critical topics impacting the safe working system in our operations, which were discussed with all staff. We are delighted to say that Vivo Energy Ghana achieved, at the end of year, 4,748 Goal Zero days, the best among the Group, which meant that we have worked with all our third party partners for more than 13 years without any recordable incident.

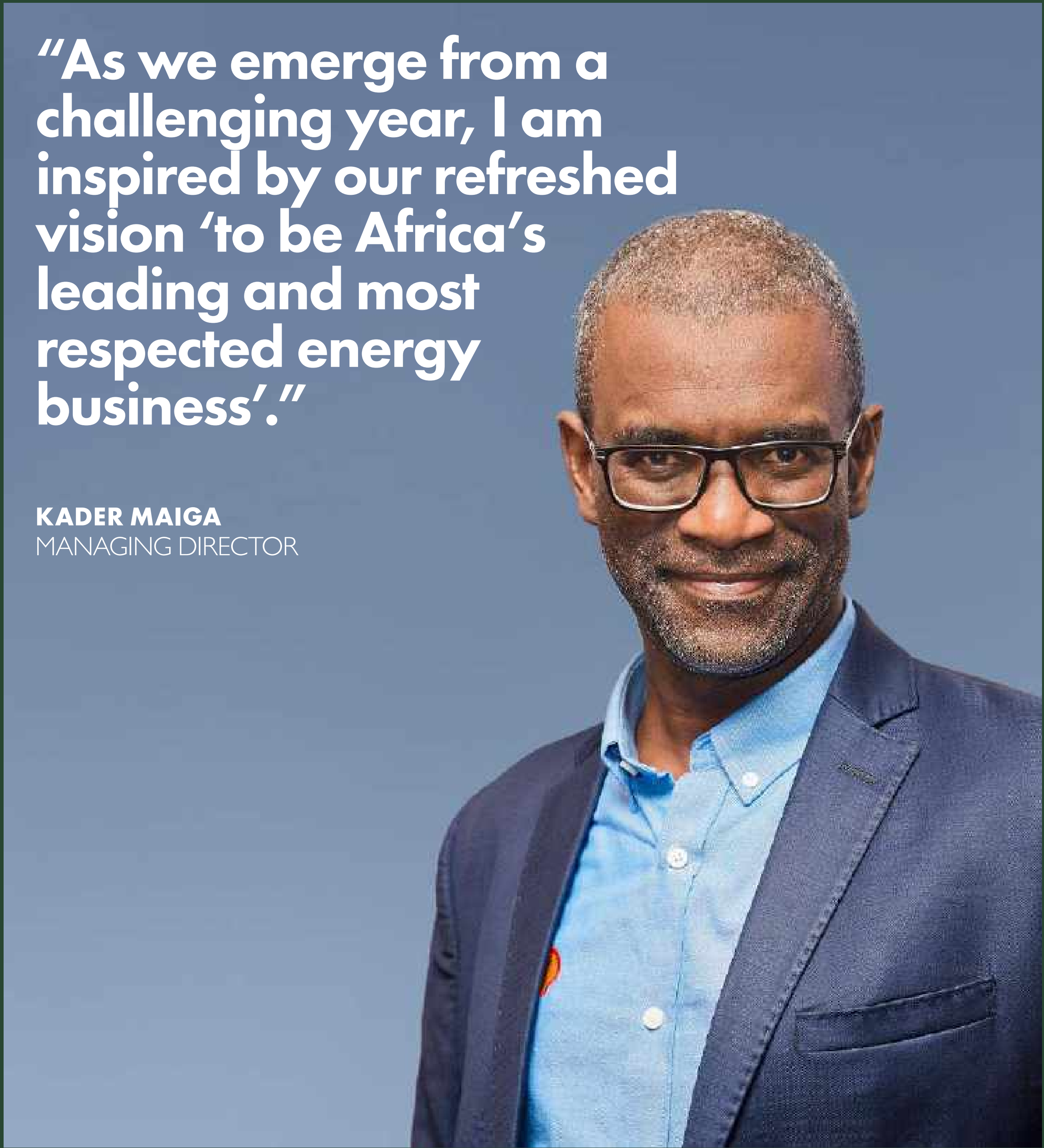
Our journey towards sustainability and responsible business practices is integral to our commitment to creating long-term value for our shareholders while making a positive impact on our communities. Our ESG framework extends beyond our company by positively impacting the lives of our employees, their families and communities where we operate. With a focus on People, Planet and Partnerships, we aim to reduce our carbon footprint by optimising sustainable business practices across our operations. Vivo Energy Ghana's robust corporate governance structure ensures that we uphold the highest standards of ethical business practices and continue to build trust with our shareholders. We will continue to invest in our people and communities, fostering an inclusive workplace culture and supporting various social initiatives with positive impacts on the environment.

Looking forward in 2024, overall GDP growth is projected at 2.9% (with a medium-term average target of 4.4% between 2024 and 2027). We remain optimistic about the future, and our refreshed vision 'to be Africa's leading and most respected energy business' anchors our theme for the year: 'Bigger, Bolder and Better'. As an energy company, we will continue to embrace change, raise the bar to realise the full potential of our people and business partners, and create a benchmark for quality, excellence, safety and responsibility to stay innovative and relevant in our market.

Together, we will build a progressive business and sustainable future for Vivo Energy Ghana.

Thank you.

FRANCK KONAN-YAHAUT
CHAIRMAN



"As we emerge from a challenging year, I am inspired by our refreshed vision 'to be Africa's leading and most respected energy business'."

KADER MAIGA
MANAGING DIRECTOR

Building a Sustainable Business

INTRODUCTION

Vivo Energy Ghana started 2023 operations in a business environment that was experiencing adverse macro-economic growth challenges with high inflation and interest rates coupled with depreciation of the Ghanaian cedi against the United States dollar. The year, however, ended with improvements in some of the economic indicators, with inflation reducing from 53.6% in January to 23.2% in December and a decrease in fiscal deficit from 10.7% of GDP in 2022 to 4.6% in 2023. Although oil prices were significantly lower than in 2022, they remained high, impacting costs, while the market GDP declined from 3.7% in 2022 to 2% in 2023. However, despite these challenging macro-economics, Vivo Energy Ghana delivered a strong year-on-year performance underpinned by our core values of honesty, integrity and respect for people. The result is driven by our clear strategy, focus and disciplined execution.

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

HSSEQ

Vivo Energy Ghana, at the end of 2023, was the country within the Group with the highest Goal Zero days of 4,748, which indicates Ghana has operated the business safely for more than 13 years without any recordable incident and impact to people, asset, environment and our reputation.

All our HSSE Key Performance Indicators (KPIs) were achieved, and Ghana was rated first in Proactive KPI (Potential Incident and Site and Asset Inspection) reporting in the Group's HSSE Isometrix system. From our HSSE focus areas for 2023, we ensured that both our staff, especially those in HSSE critical positions per our Hazard Effect Management Process (HEMP), and our 3rd party contractors had to go through all the competency assessment and training plans for the year.

To manage our response to any business-related emergencies with escalations, we tested our partnerships with all the local support agencies (Fire, Security, Medical Response Team and IT) to evaluate our readiness. The local support agencies passed our requirement criteria.

Vivo Energy Ghana, from our first attempt, received certification for the ISO management system standards (9001:2015, 14001:2015 &, 45001:2018), thus boosting our resilient HSSE management system.

MANAGING DIRECTOR'S STATEMENT CONTINUED

RETAIL

The year 2023 once again saw retail at the forefront of driving business recovery and growth. We continued to increase our footprint in the country by adding 12 new stations to our network, closing the year with 244 stations across the country. We are happy to inform you that we successfully passed the Shell Brand Licence Audit with the highest score of 94% within the Group. This grants Vivo Energy Ghana the rights to continue the distribution and the marketing of quality Shell fuels and lubricants to our cherished customers and consumers across the country.

Our contribution to the overall business volume was 85%. Our Average Throughput (ATP) remained strong at 142m^3, being one of the highest in the industry. We also maintained our second position in terms of market share, closing the year at 11.4%. Through the company's 'Shining sites' programme, we upgraded an additional 42 existing retail sites to improve their look and feel as well as enhance customer experience.

NON-FUEL RETAIL

The non-fuel retail business, which comprises convenience retail, food and other non-fuel retail, delivered a steady growth of 9% over 2022, in GHS, despite the decline of the currency. Developing a thriving food business on and off our service stations was key to opening three new restaurants including a stand-alone partnership with KFC at East Legon Hills to thrill our customers in varied ways. In deepening our convenience retail presence and network, we added 10 new shops across the country. Growing and expanding the other non-fuel offerings through key and strategic partnerships led to the introduction of green energy and solutions like lithium battery swaps for motorbikes. Optimisation of our service stations to meet the ever-changing needs of our cherished customers has been central to the performance of the year in review.

COMMERCIAL

The Commercial B2B business volumes saw a decline of 16% year-on-year. Reduced construction activity in the sector mainly accounted for the decline in the year-on-year growth. Both fuel and bitumen to the construction industry witnessed a significant drop. Gross cash unit margin was up by 56% compared to previous year, while gross cash profit went up by 36% compared to the previous year.

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

Volume contribution from aviation also grew by 21% versus prior year. The same was witnessed in the margin contribution for the year under review; however, the year-on-year margin witnessed a decline of 4%.

LUBRICANTS

Vivo Energy Ghana Limited witnessed a decline in its lubricants' performance, marked by a 3% drop in volume sales and a 15% decrease in gross profit compared to the previous year. These challenges were reflective of the broader market and economic conditions prevailing in Ghana, which resulted in reduced consumer spending and subsequently impacted lubricant demand, particularly in the consumer channel. Despite these hurdles, we managed to uphold a significant market share by nurturing strong partnerships with key retailers, distributors and commercial clients in a fiercely competitive market landscape.

MARKETING

The strategic direction taken by the Marketing function in the period under review was to drive equity for the Shell brand across all the various classes of business. This deliberate focus was geared towards building a stronger brand-customer connection, leveraging both the Shell quality credentials and various value propositions in very tactical initiatives to grow customer preference for the Shell brand.

Key in driving the equity agenda was the development of locally relevant communication materials for our fuels, dubbed 'Every Car Loves Shell', and campaigns for our Helix, Rimula and Advance range of lubricants. Exposure was via channels such as television, radio, and outdoor as well as digital and social media throughout the year. To support the equity campaigns, tactical customer activation tailored to deliver station-specific results was implemented to reward loyal customers as well as aid new customer conversions, especially in an era where customers were faced with considerable economic challenges.

The significant investment in driving equity is showing positive effects on our customers as well as our lines of business thus providing the necessary confidence to continue that trajectory in subsequent years.

SUPPLY AND DISTRIBUTION

The Supply and Distribution main objective of ensuring continuity of Product Supply, Quality and Security, Safe Road Transport Delivery, Asset Integrity and HSSEQ was managed as per the Group's technical procedures and standards.

In line with the Group's objective of becoming the most respected energy business in Africa, we had, as part of our product sourcing and distribution network, a rigid Product Quality assurance process at all interfaces of the business (Loading, Distribution and Site) to ensure the Shell fuel quality promise to customers was maintained.

Our Asset Integrity programmes saw Vivo Energy Ghana fully integrated into the Group's Asset maintenance programme in SAP. This ensured all maintenance activities were professionally coordinated.

Vivo Energy Ghana passed the Shell brand audit with a score of 94%, one of the highest in the Group, thus ensuring the Shell brand identity is consistently managed at all sales locations.

Road Transport, being one of the high-risk areas in our operation, saw significant growth and partnerships with our accredited professionally assessed Hauliers from the Group's Independent Audit Team through the Vivo Energy Haulier Assessment. At the end of the year, we covered a total of 6,244,746 km and 11,406 trips safely, contributing to our overall Goal Zero performance and delighting our customers.

As part of our drive to be environmentally responsible, we increased our solar operated sites to 25 sites across Ghana in 2023 and are working with the Shell Product Technical Team to ensure environmentally compatible products in the mobility market space.

MANAGING DIRECTOR'S STATEMENT CONTINUED

HUMAN RESOURCES

Our Human Resources department remains steadfast in its commitment to creating an environment that nurtures growth, wellness and inclusivity. Throughout 2023, we have implemented several key initiatives that have significantly contributed to the development and wellbeing of our employees, while also strengthening our organisational capabilities.

In August 2023, we relaunched the 'Own Your Growth' initiative, a cornerstone of our employee development programmes, designed to empower our workforce to actively participate in their own career progression through customised learning and development opportunities. This programme has been instrumental in fostering a culture of proactive personal and professional growth for our people. There was also the Group-wide Emerging Leaders programme in London which identified and cultivated potential leaders, equipping them with the leadership skills necessary to navigate and thrive in an ever-evolving business landscape.

Under Diversity, we achieved a notable milestone, with women now representing 28% of various roles within the company, illustrating our ongoing commitment to creating a diverse and inclusive work environment. We will continue to push this agenda until we have an equal representation of women in Vivo Energy Ghana.

A significant aspect of our focus in 2023 was on health and wellness. Collaborations with the Company Health Advisor (CHA) for regular Health Talks provided valuable health education, aligning with our objective to foster a healthier workplace. Wellness programmes included weekly Thursday Fitness Sessions.

These initiatives have played a crucial role in improving overall health and wellness among our staff.

SOCIAL PERFORMANCE

At Vivo Energy Ghana, we are committed to making a positive impact in the communities we operate. Throughout the year, we actively engaged in various developmental initiatives aimed at supporting and growing our communities. With volunteering efforts by our employees, sponsorships and strategic partnerships with local organisations, our dedication to corporate social responsibility (CSR) remains steadfast. By investing in education, environmental sustainability and health, we strive to contribute to the wellbeing and development of society. Our ongoing commitment to community support reflects our core values and our belief in creating a brighter future for all.

In partnership with United Way Ghana, we implemented various sustainability projects with positive impacts on the environment under the CyClean project.

Under the theme 'Accelerate action together. SAVE LIVES – Clean Your Hands' the company marked World Hand Hygiene Day by educating pupils on the five handwashing steps: wetting the hands under running water, applying soap, rubbing the hands together for at least 20 seconds, rinsing with water, and drying with a clean towel or tissue. The day aims to raise awareness of the importance of good hand hygiene in healthcare and to unite people around the world in support of overall hygiene improvement. As part of the programme, La Enobal Basic School received a donation of hand hygiene resources, including soap, hand sanitisers and tissues, to promote good hand hygiene practices.

In commemoration of World Environment Day within the La Dade-Kotopon Municipality, about 150 members of the Vivo Energy Ghana Environmental Club and a section of our employees engaged in a mini clean-up exercise in the school compound and its environs. They also embarked on a house-to-house sensitisation programme on proper waste management and plastic waste segregation and also solicited for community support to combat plastic pollution by distributing bin bags to 100 households within the community. The bin bags that were provided will be replaced when filled with plastic waste and will be sold to partner companies for recycling and upcycling. Vivo Energy Ghana and United Way Ghana also donated five wheelbarrows, shovels and sweeping brushes to the school to ensure cleanliness in and around the school.

Our passionate Green Champions also donated a skip container to La Enobal Basic School in Accra to support responsible waste management and, by extension, environmental sustainability. Green Champions are employees who are passionate about climate action and sustainability and see an opportunity to promote sustainability initiatives in their workplace, engaging other members of staff and acting as a focal person for those wanting to take green action.

For the past three years, we have, in partnership with our three transporters and the National Road Safety Authority, organised the multiple award-winning road safety campaign dubbed STOP, THINK & DRIVE. The initiative is aimed at reducing the number of deaths and injuries caused by road traffic accidents by 2030 under Sustainable Development Goal (SDG) 16. Vivo Energy Ghana is committed to supporting the government and its agencies in curbing the menace on our roads. To complement this initiative, we launched the Fit2Drive Wellness Programme which aims to promote and enhance the physical and mental wellbeing of commercial drivers, ensuring they maintain optimal health and safety standards while on the road. We believe that investing in the wellness of our drivers is fundamental in promoting road safety. By focusing on physical fitness, mental wellbeing and overall health, we strive to create a community of safer and healthier drivers.

> "Our new vision is to be Africa's leading and most respected energy business."

The Chief Executive Officer of Vivo Energy Group, Stan Mittelman, with Customer Champions and some employees of Vivo Energy Ghana.

OUTLOOK

The World Bank projects Ghana's economic growth in 2024 at 2.8%. We will continue to leverage on our strong business and people capabilities to deliver on our customer and brand promise and financial performance. In 2024, our performance will be driven by our refreshed vision 'to be Africa's leading and most respected energy business'.

KADER MAIGA
MANAGING DIRECTOR

Our strategy: We are building for the future

Maximise value

from Retail fuel

RETAIL
- Optimising and upgrading our network
- Adding new sites each year - 12 new stations added during the year
- Shining our existing sites - a total of 42 stations upgraded
- Successfully passed the Shell Brand Licence Audit

Accelerate growth

from the rest of the core business

NON-FUEL RETAIL OFFERINGS
- Developing a thriving food business on and off our service stations
- Deepening our convenience retail presence
- Growing and expanding other non-fuel retail offerings

COMMERCIAL FUEL & LUBRICANTS
- Driving B2B core profitable market share growth
- Developing the reseller volume market to target all sectors
- Growing our B2B lubricants business through local partnerships to serve all sectors
- Increasing focus on aviation

Evolve the business model

to serve customer needs

SOLAR
- Continuing our focus on developing solar solutions for electricity at our retail stations and depots

NEW MOBILITY
- Significant progress made on our new mobility offer

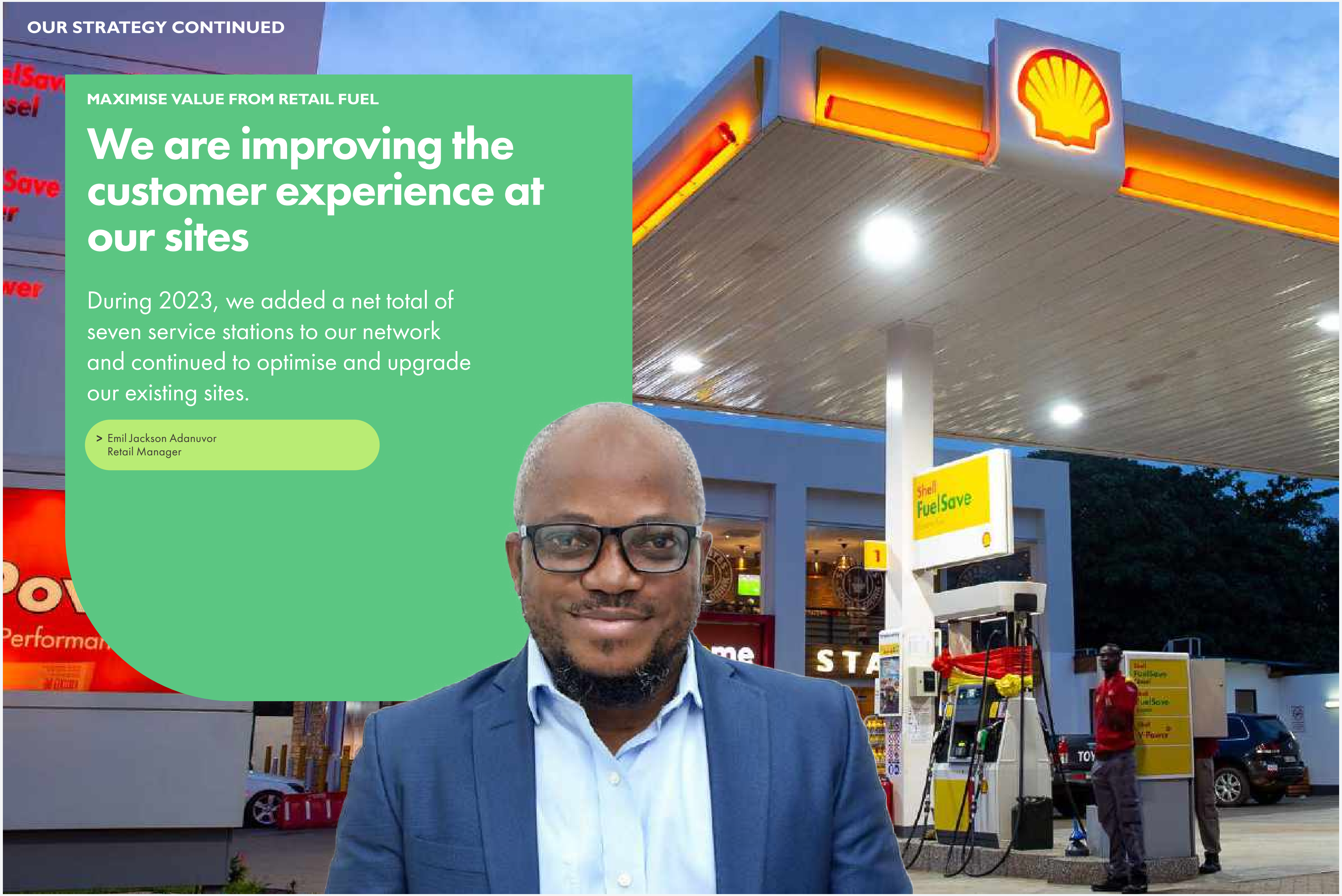
OUR STRATEGY CONTINUED

MAXIMISE VALUE FROM RETAIL FUEL

We are improving the customer experience at our sites

During 2023, we added a net total of seven service stations to our network and continued to optimise and upgrade our existing sites.

> Emil Jackson Adanuvor
Retail Manager

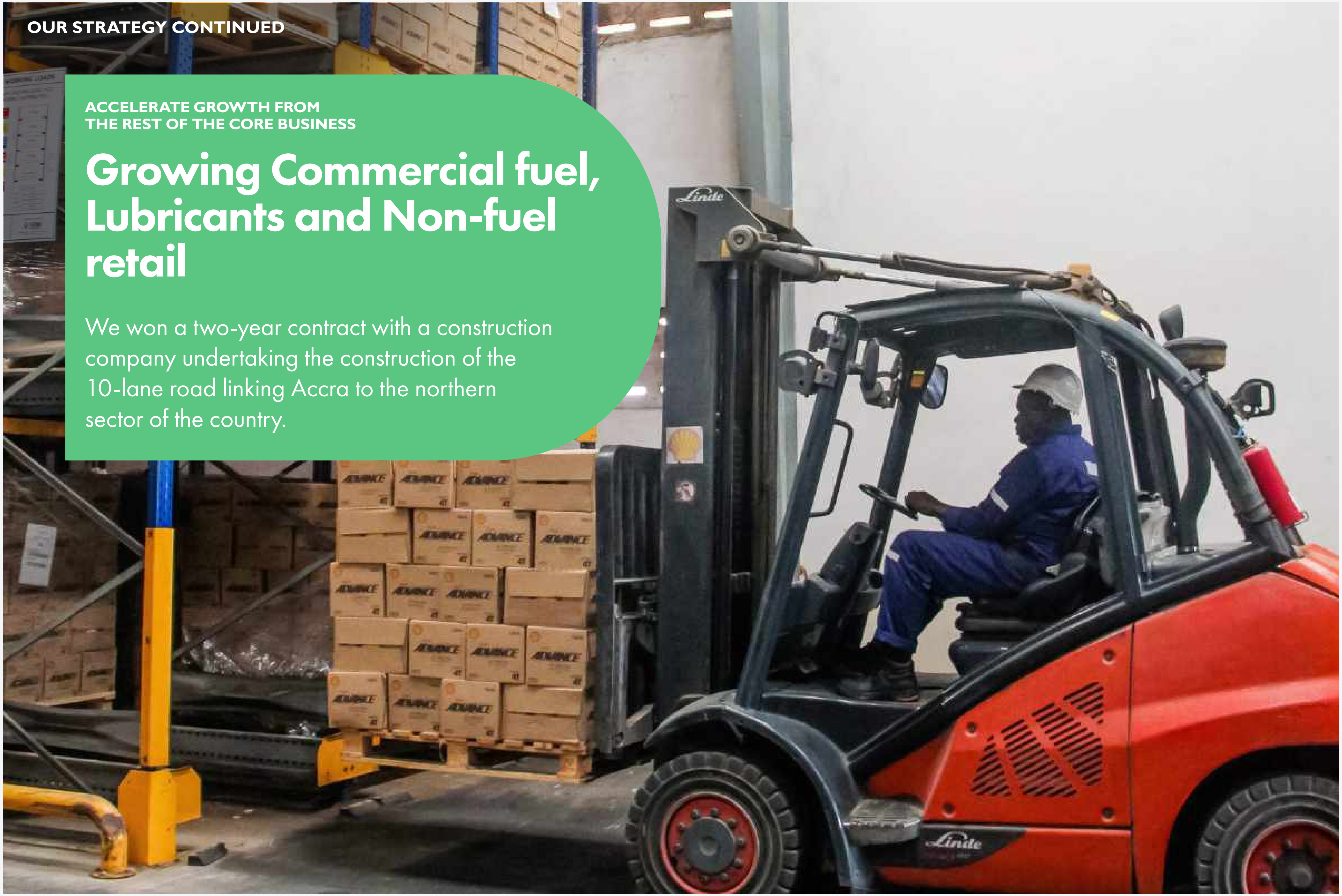


OUR STRATEGY CONTINUED

ACCELERATE GROWTH FROM THE REST OF THE CORE BUSINESS

Growing Commercial fuel, Lubricants and Non-fuel retail

We won a two-year contract with a construction company undertaking the construction of the 10-lane road linking Accra to the northern sector of the country.



OUR STRATEGY CONTINUED

EVOLVE THE BUSINESS MODEL TO SERVE CUSTOMER NEEDS

We are dedicated to continuing our investment in solar

Continuing our focus on developing solar solutions for electricity at our retail stations and depots. We also progressed our new mobility offer, ready to pilot our first EV charging station and our two- and three-wheeler value proposition for sustainable transport: Battery Swap and Go.

> Reindolf Domey
Supply & Distribution Manager

Our stakeholders

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

WE HAVE FIVE KEY STAKEHOLDER GROUPS

Engagement with our stakeholder groups plays an important role throughout the business. With a comprehensive stakeholder engagement plan in place, we regularly engage our partners, employees, customers, government and communities in our business.

This helps us gain a better understanding of the impact of our decisions on stakeholder interests as well as insight into their needs and concerns for the long-term success of our business.

Effective engagement with our stakeholders also fosters trust, transparency and collaboration and, ultimately, contributes to the long-term success and sustainability of our business.

1 OUR PEOPLE

We want our people to be safe, engaged and focused on doing business the right way to deliver good business results.

2 CUSTOMERS

We want to understand our customers deeply so we can continue to innovate our product and services offering to meet their dynamic needs and provide an exceptional customer experience.

3 PARTNERS

We want to support our partners, always focusing on doing business the right way as we strive to achieve our vision of becoming the leading and most respected energy business in Ghana.

4 COMMUNITIES

We want to grow with our communities by making a real and lasting difference in the communities where we operate – supporting them, promoting a better quality of life and a more sustainable future.

5 GOVERNMENTS

We want to maintain good relationships with our host government and regulatory agencies, continuing to help develop our market through the collection of tax and duties and providing significant employment.

Our KPIs

These KPIs show our performance for 2023 in comparison to the past four years, together with a brief explanation of the key driver. We have chosen to use Growth, Financial and HSSEQ KPIs in order to provide a rounded view of our performance.

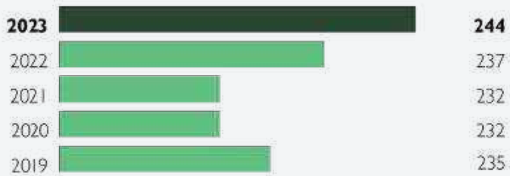
Growth KPIs

VOLUME
MILLION LITRES

DEFINITION
Total product volumes sold during the year.

Performance drivers
- Macroeconomic drivers influencing demand
- Sales and promotion activities
- Loyalty card system
- New and existing contracts with Commercial customers.

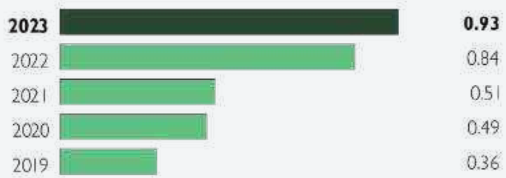
TOTAL RETAIL SERVICE STATIONS
NUMBER



DEFINITION
Total number of revenue-generating retail service stations.

Performance drivers
- Self-funding capital expenditure through operating cash flow
- Significant white-space opportunity
- Securing land leases and strategically located sites

GROSS CASH UNIT MARGIN
GHS/'000 LITRES



DEFINITION
Gross cash profit per 1,000 litres of sales volume.

Performance drivers
- Competitive pricing strategies in deregulated markets
- Foreign currency exposure risk management to ensure US dollar margins are protected
- Optimised supply chain and efficient operations
- Increased penetration of differentiated fuels

OUR KPIS CONTINUED

Financial KPIs

GROSS CASH PROFIT
GHS MILLION

DEFINITION

Gross profit after direct operating expenses and before non-cash depreciation and amortisation recognised in cost of sales. Reference to 'cash' in this measure refers to non-cash depreciation and amortisation as opposed to the elimination of working capital movements.

Performance drivers

— Volumes and gross cash unit margins performance

ADJUSTED EBITDA
GHS MILLION

DEFINITION

Earnings before interest, tax, depreciation and amortisation adjusted for impact of special items.

Performance drivers

— Volumes and gross cash unit margins performance
— Optimised cost structure and cost management

NET INCOME
GHS MILLION

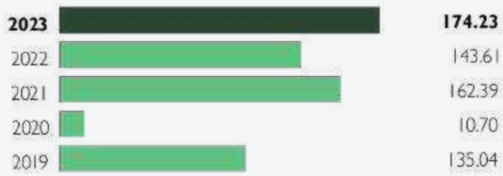
DEFINITION

Net income in accordance with IFRS.

Performance drivers

— EBITDA performance
— Efficient cost management
— Optimised capital and finance structure

ADJUSTED FREE CASH FLOW
GHS MILLION



DEFINITION

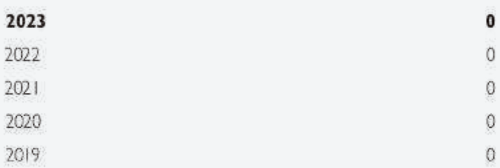
Cash flow from operating activities less net additions to property, plant and equipment and intangible assets and excluding the impact of special items.

Performance drivers

— High conversion from EBITDA to free cash flow

HSSEQ KPIs

TOTAL RECORDABLE CASE FREQUENCY (TRCF)
PER MILLION EXPOSURE HOURS



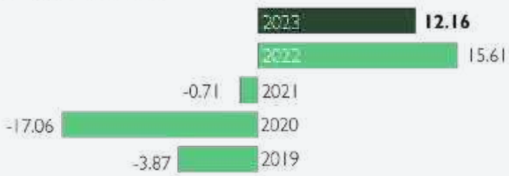
DEFINITION

TRCF per million exposure hours.

Performance drivers

— Using potential incident reporting to prevent incidents from happening
— Training and competency development for continuous HSSEQ improvement
— Focus on personal safety, road transport safety and security

TOTAL PRODUCT LOST - BITUMEN
METRIC TONNES



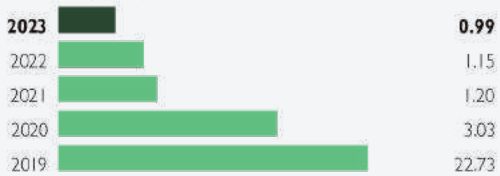
DEFINITION

Product lost to the environment.

Performance drivers

— Ensuring that safe working practices are followed: stringent Road Transport contractor safety requirements; driver training and monitoring

TOTAL SCOPE 1 & 2 EMISSIONS
KT OF CO_2 EQUIVALENT



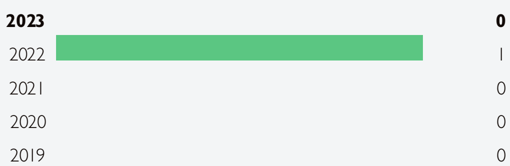
DEFINITION

Emissions from combustion of fuel, electricity, heat, steam and cooling.

Performance drivers

— Increasing efficiencies across our operations
— Adding solar initiatives

EMPLOYEE & CONTRACTOR FATALITIES
NUMBER



DEFINITION

Fatal occupational injuries and illnesses.

Performance drivers

— Risk assessment and mitigation
— Potential incident reporting to prevent incidents from happening
— HSSEQ competency review and training programme

Our vision, culture and values

In 2013, when Vivo Energy Ghana was created, we developed and embedded our 'Focus, Simplify and Perform' operating culture, and this has been our guiding principle ever since. It has enabled us to stay one step ahead and will continue to be an integral part of our business for many years to come.

THE VIVO ENERGY WAY

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

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

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

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

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

DOING BUSINESS THE RIGHT WAY

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

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

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

ANTI-CORRUPTION AND ANTI-BRIBERY

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

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

OUR VISION, CULTURE AND VALUES CONTINUED

HUMAN RIGHTS

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

Vivo Energy Ghana does not tolerate discrimination based on any arbitrary grounds such as gender, age, religious belief or creed, race, ethnic or social origin, marital status or pregnancy, family responsibility, culture, HIV status and disability. We seek to foster an enabling working environment that encourages a diverse workforce and, particularly, ensures equal treatment of women and minority groups in access to opportunities and advancement. All employees are guaranteed access to grievance procedures where these may arise.

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

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

Knowing who we do business with:

31

counterparty screening checks conducted.

We uphold high ethical standards and ensure strict compliance to regulations to build a strong and sustainable business.

Sustainability framework

We have a clear and simple framework: provide an umbrella for all our Environmental, Social and Governance (ESG) and sustainability activities; guide our approach; and provide more focus on the sustainability topics that matter the most to us and our stakeholders.

People

Safe and empowered teams

We believe that, by keeping our people safe and supported and enabling their development, we are able to deliver consistent success as an organisation.

KEY PRIORITIES

- Ensuring the safety of people
- Training and development
- Enhancing gender diversity
- Employee engagement

Planet

Minimising environmental impact

We aim to meet the needs of our customers and stakeholders in the most climate-friendly way possible to minimise the impact on our planet.

KEY PRIORITIES

- Greenhouse gas management
- Product spills
- Supporting the energy transition
- Societal impact

Partnerships

Leading by example

We will engage with and support the development of our partners and local communities to help us gain a better understanding of their needs and concerns and serve local businesses and individuals. Leading by example across our value chain is key to us achieving our vision to be Africa's leading and most respected energy business.

KEY PRIORITIES

- Partnering with communities
- Enabling local enterprise
- Responsible purchasing

OUR SUSTAINABILITY FRAMEWORK CONTINUED

People

We believe that, by keeping our people safe and supported, and enabling their development, we are able to deliver consistent success as an organisation.

ENSURING THE SAFETY OF PEOPLE

Vivo Energy Ghana's HSSE Management System emphasises the individual employee's responsibility for their own personal safety and that of others. This aligns with the company's 'golden rule' Policy of Comply, Intervene and Respect for People.

Employees are empowered and encouraged to proactively report all incidents (actual and potential) as well as near misses through our online Isometrix reporting platform. This enables the organisation to derive valuable learnings and share them with all staff and contractors, driving continuous safety improvements.

In all, 140 individual audits were conducted on all our assets and operations. This is in line with maintaining all the operability controls on our safety critical assets per our HEMP.

Safety Day for 2023 was done on a monthly basis, with selected topics shared with all staff. This also formed part of our competence and training for all safety critical positions and other staff. We had the opportunity to train trainers from the Group's competence plan in South Africa. The annual Fitness to Work, Health Risk Assessment reviews and Defensive Driving Continuous Assessment were conducted as planned.

The safety focus areas for Vivo Energy Ghana were achieved to ensure good monitoring and compliance in our operations.

Through its relentless pursuit of HSSE excellence, Vivo Energy Ghana has demonstrated its unwavering commitment to fostering a culture of safety, empowering its employees and collaborating with its stakeholders to continuously enhance the Health, Safety, Security, Environmental and Quality performance in its operations.

TRAINING AND DEVELOPMENT

Learning & Development is a key business priority at Vivo Energy Ghana and an integral part of our Talent Management philosophy. We employ around 200 people and work hard to support and develop them at every opportunity because we believe that all employees should have access to relevant learning opportunities for self and company development.

Through our Individual Career Development Plans (ICDPs), we have structured development plans in place to constantly upskill and reskill employees on technical/functional as well as leadership and soft skills across all levels to build the confidence and resilience required to take the business to the next level.

In 2023, our learning spend for the year was USD 45,129. A total of 109 employees were trained and this included 87 programmes, with an average of 3.6 training days per employee.

We also had the privilege to have two middle level managers from Ghana join the Group's prestigious Emerging Leaders Programme in London. This is a programme for staff consistently delivering top performance with the ability, aspiration and commitment to succeed in more senior positions, and with significant leadership potential.

ENHANCING GENDER DIVERSITY

Providing equal access to opportunities is our hallmark. We have therefore not only created an inclusive work environment, where everybody has an equal opportunity to develop their skills and talents, but we have also called out gender diversification as one of our key enablers, with female diversity targets included in performance goals of senior leadership.

Our 'Safety Day, Every Day' programme enhanced our knowledge on the Life-Saving Rules and helped to reduce our risk of injuries and fatalities.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PEOPLE CONTINUED

During the year, Vivo Energy Group launched W@VE, our Women at Vivo Energy programme, across all operating units including Ghana with the aim to create a workplace that values diversity, removes barriers and empowers all employees to thrive.

At the end of 2023, women represented 28% of total employees, up from 26.72% in 2022. We are steadily and progressively working towards significantly increasing the female staff population in the company.

EMPLOYEE ENGAGEMENT

We believe that an engaged workforce produces results. We constantly seek, therefore, to solicit feedback from employees using several platforms such as Your Voice, an online idea-generating platform, Speakup, a whistle-blowing platform, and surveys to nurture and encourage an open culture where opinions and reports on a wide range of topics from our people are heard and valued.

We continue to leverage our Employee Assistance Programme (EAP) which provides practical information and confidential counselling to employees and their close family members on a wide range of work and personal issues. We have also instituted a weekly sports programme, a monthly safety day activity and a quarterly health talk organised by the Company Health Advisor (CHA) to help employees destress and achieve harmony between work and personal life.

In September, we conducted our full employee engagement survey, tracking six key areas: leadership and culture; reward; role content; career; workplace; and purpose and values. Employees were very keen to participate in the survey, and we scored our highest ever completion rate of 98%. Across the survey, our overall favourability score was 85% – up from 72% when last conducted in 2021 – with scores across each category significantly improving.

Purpose and values remain the highest (92%) scoring category, with nine out of ten employees stating that they are proud to work for us, believing we are well respected in the countries where we operate, deliver world-class HSSEQ performance and that we will be successful in the future. We are pleased to report that, of the 42 comparable questions in the survey, there was significant increase in favourability in all the areas surveyed, compared to the last survey in 2021.

GENDER DIVERSITY

28%
of permanent employees are women

OUR GENDER SPLIT

31 DECEMBER 2023	Female	Male	Total
Board of Directors	1	8	9
Country Leadership Team	3	9	12
All other employees[1]	50	141	191

1 All other employees include full-time employees, third-party contractors and graduate trainees

Our Graduate Talent Programme is a one-year intensive training for graduates from recognised universities to build their capacity for our talent pipeline.

We employ about 200 people whose development is key to our strategic direction.

> Mercy Amoah
Human Resources Manager

TOTAL RECORDABLE CASE FREQUENCY (TRCF)

PER MILLION EXPOSURE HOURS

2023	**0**
2022	0
2021	0
2020	0
2019	0

EMPLOYEE & CONTRACTOR FATALITIES

NUMBER

2023	**0**
2022	1
2021	0
2020	0
2019	0

OUR SUSTAINABILITY FRAMEWORK CONTINUED

Planet

We aim to meet the needs of our customers and stakeholders in the most climate-friendly way possible to minimise the impact on our planet.

GREENHOUSE GASES (GHG)

In 2023, Vivo Energy Ghana significantly strengthened its greenhouse gas (GHG) emissions monitoring, reporting and management within its operations. The company adhered to the rigorous Group GHG guidelines and Protocol, a global standard for corporate emissions accounting.

Firstly, Vivo Energy Ghana conducted comprehensive training for its data capturing and reporting focal persons to ensure data submitted in our operations are understood, accurate and reliable. This training reinforced the company's GHG Inventory Management Plan, which serves as the overarching framework for gathering, calculating and assessing the organisation's GHG emissions.

Vivo Energy Ghana's GHG reporting now covers not only its Scope 1 (direct) and Scope 2 (indirect) emissions but also Scope 3 (value chain) emission categories, in alignment with the GHG Protocol's Corporate Value Chain Accounting and Reporting Standard. This expanded reporting scope provides a more holistic view of the company's environmental impact.

Vivo Energy Ghana's GHG data monitoring and initiatives saw a year-on-year decrease in Scope 1 and 2 from 2020 to 2023.

To further manage its environmental impact, Vivo Energy Ghana continues to implement a range of short-, medium- and long-term initiatives with its stakeholders to minimise its GHG impact. These include reducing the company's own emissions in alignment with its sustainability framework, as well as increasing operational efficiencies and expanding its solar energy initiatives across the Group.

We are looking at other sustainable energy solutions to improve our environmental impact.

We encourage our employees to nurture plants as their individual commitment to environmental sustainability.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PLANET CONTINUED

PRODUCT SPILLS

We consider any release of product to the environment as a spill, and stringent process safety standards, procedures and controls are implemented across our operations. Updated Site Operating Procedures (SOP) are conducted annually with all operators to ensure ownership and compliance. Technical mitigation measures are audited by the Leadership Team and a Fitness certificate issued for all safety assets.

Information on all product spill incidents that occur is shared within the Group for each operating unit to review its SOP to mitigate recurrence.

SUPPORTING THE ENERGY TRANSITION

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

Today, our core businesses are focused on distributing and marketing fuels and lubricants to our Retail and Commercial customers in Ghana. We therefore perceive that the most material transition risks to us are related to factors that could reduce demand for the fuels we sell due to any combination of climate-related technology, market, and policy and legal developments in Ghana. We have identified a few activities and plans across key climate-related areas, which both harness transition opportunities and mitigate transition risks.

Using renewable power at our facilities

We are including on-site solar power at newly built or rebuilt Retail sites and depots where possible. We have so far installed solar at 25 sites within our retail network and plan to include our depots in 2024.

Supporting electric vehicles (EV) in our Retail segment

Our first EV charging infrastructure in our Retail network is almost completed for pilot. We plan to roll out three additional EV charging stations by the end of 2024. We also completed 1 Battery Swap and Go solution and plan to roll out an additional four by end of 2024. These projects will ensure we are positioned to address customer demand as it evolves.

Achieving lower emissions logistics

We continue to engage with our fuel delivery fleet suppliers to minimise the climate impact of trucks used for transporting our fuel to end-users and are investigating technology solutions to reduce truck trips taken.

SOCIETAL IMPACT

In partnership with United Way Ghana, we implemented various sustainability projects with positive impacts on the environment under the CyClean project.

Our passionate Green Champions donated a skip container to La Enobal Basic School in Accra to support responsible waste management and, by extension, environmental sustainability. Green Champions are employees who are passionate about climate action and sustainability and see an opportunity to promote sustainability initiatives in their workplace, engaging other members of staff and acting as a focal person for those wanting to take green action.

Under the theme 'Accelerate action together. Save Lives – Clean Your Hands', the company marked World Hand Hygiene Day by educating pupils on the five handwashing steps: wetting the hands under running water, applying soap, rubbing the hands together for at least 20 seconds, rinsing with water, and drying with a clean towel or tissue.

In Ghana, installation of a Solar PV system at our retail stations and depots has resulted in reduced energy consumption from the national grid by 1,875MWh, reducing our carbon emissions by 1039 mt.

This reduction is equivalent to driving 6,927,257 km and planting of 26,746 trees.

NUMBER OF PRODUCT SPILLS
GREATER THAN 100KG

2023	**0**
2022	0
2021	0
2020	0
2019	0

Our Green Champions donated a skip container to La Enobal Basic School to support responsible waste management and, by extension, environmental sustainability.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PLANET CONTINUED

The day aims to raise awareness of the importance of good hand hygiene in healthcare and to unite people around the world in support of overall hygiene improvement. As part of the programme, La Enobal Basic School received a donation of hand hygiene resources including soap, hand sanitisers and tissues to promote good hand hygiene practices.

In commemoration of World Environment Day within the La Dade-Kotopon Municipality, about 150 members of the Vivo Energy Ghana Environmental Club and a section of our employees engaged in a mini clean-up exercise in the school compound and its environs. They also embarked on a house-to-house sensitisation programme on proper waste management and plastic waste segregation and also solicited for community support to combat plastic pollution by distributing bin bags to 100 households within the community.

The bin bags that were provided will be replaced when filled with plastic waste and will be sold to partner companies for recycling and upcycling. Vivo Energy Ghana and United Way Ghana also donated five wheelbarrows, shovels and sweeping brushes to the school to ensure cleanliness in and around the school.

For the past three years, we have, in partnership with our three transporters and the National Road Safety Authority, organised the multiple award-winning road safety campaign dubbed STOP, THINK & DRIVE. The initiative is aimed at reducing the number of deaths and injuries caused by road traffic accidents by 2030 under SDG 16. Vivo Energy Ghana is committed to supporting the government and its agencies in curbing the menace on our roads.

To complement this initiative, we launched the Fit2Drive Wellness Programme which aims to promote and enhance the physical and mental wellbeing of commercial drivers, ensuring they maintain optimal health and safety standards while on the road. We believe that investing in the wellness of our drivers is fundamental in promoting road safety. By focusing on physical fitness, mental wellbeing and overall health, we strive to create a community of safer and healthier drivers.

We created an environmental sustainability programme at La Enobal Basic School in Accra. This school lacked waste disposal and handwashing facilities and had poor sanitation. Following our partnership, we have provided access to handwashing stations, set up an environmental club and are helping students generate an income from repurposing recycled materials.

OPERATIONAL EMISSIONS – SCOPE 1 AND 2

$ktCO_2e$, unless otherwise indicated	2020	2021	2022	2023
Total Scope 1[1]	2.85	0.99	0.86	0.7
Total Scope 2[2]	0.18	0.21	0.29	0.29
Total Scope 1 and 2 Emissions	**3.03**	**1.20**	**1.15**	**0.99**
Total energy consumed (million kilowatt-hours)	**0.88**	**0.89**	**0.90**	**0.90**

VALUE CHAIN EMISSIONS – SCOPE 3

$ktCO_2e$, unless otherwise indicated	2020	2021	2022	2023
Total Scope 3[3] (reported categories)	**0.48**	**2.51**	**3.91**	**4.01**
Total Scope 1, 2 and 3 Emissions	**3.51**	**3.71**	**5.06**	**5.00**
Scope 1, 2 and 3 Intensity ($ktCO_2e/10,000m^3$)	**0.86**	**0.86**	**1.23**	**1.23**

1 Direct emissions from activities owned and controlled by the organisation.
2 Indirect emissions as purchases of energy in the form of electricity due to activities owned and controlled by the organisation.
3 Business travel emissions excluded as emission value is below the materiality threshold.

OUR SUSTAINABILITY FRAMEWORK CONTINUED

Partnerships

We engage and support the development of our partners and local communities to help us gain a better understanding of their needs and concerns and serve local businesses and individuals.

PARTNERING WITH COMMUNITIES

The development of our local communities is at the heart of our business. We engage and support the development of our partners and local communities to help us gain a better understanding of their needs and concerns and serve local businesses and individuals.

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

Leading by example across our value chain is key to us achieving our vision to be Africa's leading and most respected energy business.

SHIFTING OUR FOCUS AREAS

Since our foundation in 2011, we have based our community investment activities on Road Safety, Education and the Environment. We have invested significantly and successfully supported several projects and like-minded institutions across the country, centred on these three focus areas.

In April, we chose to review these, and invited our employees to have their say, asking them to vote on a long list of potential new community investment focus areas.

Over 750 colleagues voted across the group – a tremendous response and a great demonstration of how much our community investment activity matters to them.

Following review by the ESG Committee and verification by the Board, we have changed our community investment focus areas to Education, Health and Renewable Energy (solar).

These will be our focus areas in 2024 as we work closely with our communities and stakeholders to create a lasting impact in the communities we operate.

Education

Our dedication in education manifests in various forms:

Investment in learning infrastructure:

- We prioritise allocating resources towards educational infrastructure development, ensuring that schools, libraries and educational institutions have the necessary tools and facilities to facilitate learning. To this end, we have resourced Tamale regional library and supported the Ghana Education Service 'My First Day at School' with learning materials to facilitate teaching and learning.

Support for STEM education:

- Recognising the importance of STEM (Science, Technology, Engineering and Mathematics) education in today's rapidly evolving world, we actively support programmes that promote STEM learning, sparking curiosity and innovation among future leaders. Our Graduate Talent Programme is an enriched national service programme for fresh graduates aimed at building their capacity to feed our talent pipeline.

> Shirley Tony Kum
Corporate Communications Manager

OUR SUSTAINABILITY FRAMEWORK CONTINUED

PARTNERSHIPS CONTINUED

Partnership with educational institutions:

- Collaborating with schools, we engage in meaningful partnerships to enhance academic excellence, provide mentorship opportunities and facilitate access to industry expertise.

Employee volunteerism:

- Our employees are encouraged to contribute their time and skills to educational initiatives, such as mentorship programmes and community development initiatives, fostering a culture of giving back to the community. Throughout the year, our team of dedicated employees volunteered on several community development initiatives including commemoration of World Hand Hygiene Day and World Environment Day.

By championing education, we not only enrich individual lives but also contribute to the socio-economic development of communities and societies at large.

Health

In partnership with the National Road Safety Authority and Health Nexus Network, we launched a road safety campaign to promote and enhance the physical and mental wellbeing of commercial vehicle drivers. Dubbed the 'Fit2Drive Wellness Programme', it is also designed to maintain optimal health and safety standards on the road.

This follows the successful launch and roll-out of the STOP, THINK & DRIVE road safety campaign. Drivers who participated in the programme benefited from a free occupational health assessment by a team of health professionals at the Neoplan Station in Accra.

As part of the Fit2Drive Wellness Programme, we will liaise with various transport unions to organise fitness sessions for drivers at selected bus terminals to enhance drivers' physical and mental wellbeing to reduce the risk of accidents caused by fatigue or health-related issues.

In support of breast cancer surgeries, we also donated a smoke evacuator and surgical equipment to assist the efforts of the Korle Bu Teaching Hospital. This forms part of activities commemorating Pink October.

The smoke evacuator will enhance the quality of healthcare and ensure that surgical staff and patients undergoing surgery do not end up contracting other forms of health conditions as a result of surgical smoke. This further contributes to SDG 3 which aims to ensure good health and wellbeing for all, at all ages.

Renewable energy

Acknowledging the critical role of sustainable energy in mitigating climate change, we are dedicated to advancing the use of renewable energy sources. Our commitment extends beyond minimising our own environmental footprint to actively promoting the adoption of clean energy solutions within the communities we serve. Through strategic partnerships, technological innovation and community engagement, we aim to accelerate the transition to renewable energy. By supporting projects that harness solar and other renewable resources, we aspire to contribute to a greener and more sustainable future.

In Ghana we have signed a Memorandum of Understanding (MoU) with United Way Ghana to roll out a renewable energy project among schools within its communities. The renewable energy project seeks to empower and provide students with a solid understanding of various renewable energy sources, including solar energy. By introducing innovative educational programmes and practical demonstrations, the initiative aims to inspire the next generation to embrace sustainable energy solutions and raise awareness about environmental challenges and the importance of adopting sustainable energy practices within the school and the broader community.

PARTNERSHIPS

ABOUT 10

community investment projects launched during the year.

ENABLING LOCAL ENTERPRISE

We have created over tens of thousands of indirect jobs across our network as a result of our efforts to promote the expansion of our dealer and transporter network as well as local businesses.

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

RESPONSIBLE PURCHASING

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

VIVO ENERGY GHANA TOPS ALL

We are CSR Company of the Year

At the 10th Edition of the Ghana CSR Excellence Awards by the Centre for CSR, West Africa, Vivo Energy Ghana secured three prestigious awards, including the most coveted CSR Company of the Year.

The company 's STOP, THINK & DRIVE road safety campaign, which seeks to provide comprehensive refresher defensive driving training for commercial drivers and motorcyclists across the country to reduce the risks of involvement in road accidents, was named the CSR Initiative/Project of the Year.

Our Corporate Communications Manager, Shirley Tony Kum, was also named the CSR Practitioner of the Year for playing a pivotal role in crafting and implementing impactful and sustainable CSR strategies and initiatives across the country for the benefit of their communities.

The Centre for CSR, West Africa, is a leading CSR and Sustainability strategy development, policy advocacy, public relations, events and communications agency in the West African subregion. The Centre advocates for socially responsible and sustainable practices among stakeholders, especially players in the private sector.

Commenting on the awards, the Managing Director of Vivo Energy Ghana, Kader Maiga, said: "We firmly believe that businesses have an essential role to play in building a more equitable and sustainable future for all and it is important for organisations to embed CSR values into their operations. As a company, we will continue to integrate ethical practices, environmental stewardship and social responsibility into the core of our business.

"We dedicate these awards to the communities we serve whose trust and cooperation have been the driving force behind our initiatives and giving us the Social Licence to Operate (SLO)."

Vivo Energy Ghana is associated with key sustainability initiatives including the award-winning STOP, THINK & DRIVE road safety campaign; 'Junior Road Care' road safety campaign set up to educate school children on road safety; 'Clean a Space, Save a Life' community development initiative aimed at ensuring a cleaner environment in the James Town enclave; 'CyClean' - an industry-first recycling programme aimed at instilling good environmental behaviours and a recycling mindset in school children; and Vivo Energy Ghana Community Digital Literacy Project in the Northern Region which seeks to enhance schoolchildren's reading skills and help mitigate the learning loss caused by school closures during the peak of the COVID-19 pandemic in Ghana.

These people-centred initiatives have led to the company winning many coveted local and international industry, and professional, awards including the SABRE Awards Africa, National PR and Communications Excellence Awards by the Institute of Public Relations Ghana, and UK Ghana Chamber of Commerce Business Excellence Awards.

RESOURCING OUR HEALTH CENTRES FOR QUALITY HEALTH DELIVERY

Experts have identified the release of harmful smoke which contains toxic gases and vapours during electrosurgical operation. According to them, the exposure by medical staff and patients to the smoke may cause health-related issues such as viral contamination, respiratory problems, nausea and burning sensation in the eyes. However, the use of a smoke evacuator helps to prevent these associated health risks.

To eliminate these harmful toxic gases during surgical procedures, we donated a smoke evacuator with accessories and a trolley to the Surgery Department of the Korle Bu Teaching Hospital to commemorate Breast Cancer Awareness Month as well as to facilitate the delivery of quality healthcare in the country.

The donation further contributes to SDG 3, which aims to ensure good health and wellbeing for all, at all ages.

As an industry leader championing and maintaining rigorous international health and safety standards, Vivo Energy Ghana believes that the donation accentuates its commitment to ensuring the overall health and safety of its people, including employees, customers and Ghana as a whole.

STUDENTS LEARN HOW TO EARN 'CASH FROM TRASH' THANKS TO CIRCULAR ECONOMY

Earth Day is an annual event celebrated on 22 April, globally. On this special occasion, businesses, individuals and organisations are invited to promote activities that help preserve the environment.

For United Way Ghana and Vivo Energy Ghana, it was the opportunity to involve employees and volunteers of both companies to mark the day with an educational activity. Pupils from La Enobal Basic School were taught how they could generate revenue from their waste to help finance their basic needs: an act that is geared towards promoting sustainable waste management practices and protecting the environment under Sustainable Development Goals 3, 13 and 15.

At the event, Vivo Energy Ghana's Green Champions, a dedicated group of employees leading green initiatives in the company, demonstrated various ways of recycling waste into cash, including recycling and upcycling. They also provided practical tips on how to reduce waste and conserve the environment.

The Head Teacher of La Enobal Basic School expressed his appreciation to Vivo Energy Ghana and United Way Ghana for organising the event. He said, "This event has been very informative and educative. Our students have learned a lot about the importance of protecting the environment and how to recycle waste to generate cash. We are grateful to Vivo Energy Ghana and United Way Ghana for their support."

Vivo Energy Ghana, in line with its sustainability framework, has engaged in various environmental projects to encourage individuals and organisations to take action towards building a circular economy.

WOMEN URGED TO TAKE UP ROLES IN THE TECHNOLOGY SPACE

As a company committed to diversity and inclusiveness, Vivo Energy Ghana marked International Women's Day (IWD) under the universal theme DigitALL: Innovation and Technology for Gender Equality.

The spectacular event brought together employees and astute women in the technology space to discuss and share insights into the challenges and opportunities in the sector.

Taking her turn on a panel discussion, the Chief Executive Officer of EDEL Technology and Consulting, Ethel Cofie, urged more women to join the technology space to increase the numbers which ultimately helps to bridge the gender gap in the sector. She also emphasised the need for more visibility saying women and students in technology should work hard, and trumpet their achievements to create visibility in the space. "Get up, work hard, and make noise about every effort you have put into your work so that people will get to see and appreciate what you have done. Do not wait for your work to be recognised without making noise about it. Learn to be visible and you will receive the recognition due to you," she charged women.

Addressing the gathering, the Managing Director of Vivo Energy Ghana, Kader Maiga, described the day as worthy of due recognition and further opined that "this day has been made solely for women and it is only proper that men support women in the pursuit of equality. We must encourage our women to take up roles regardless of the sector in which these roles may be."

He ended by calling on young girls of school-going age to choose Information and Communications Technology (ICT) programmes as one of the numerous ways by which the theme for this year can be realised.

In 2021, Vivo Energy Ghana sponsored some senior high school students in Accra and Kumasi to undergo ICT training under a partnership programme with the African Business Centre for Developing Education (ABCDE) and Soronko Academy, a leading technology and digital skills development centre in Ghana.

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Governance

The following pages describe our governance arrangements, the operation of the Board and its Committees and how the Board has discharged its responsibilities during the year.

Board of Directors

Our company is led by an effective and committed Board, focused on driving long-term business success.

FRANCK KONAN-YAHAUT
BOARD CHAIRMAN

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

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

KADER MAIGA
MANAGING DIRECTOR

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

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

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

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

KILAI MUASYA
MEMBER

Kilai Muasya has over 25 years of experience, having performed in nearly every capacity in a finance department. He is a functionally skilled leader with high leadership capability.

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

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

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

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

MERCY AMOAH
MEMBER

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

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

REINDOLF DOMEY
MEMBER

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

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

Reindolf is a business leader and has deep knowledge of operation management, with over 10 years in a senior management position.

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

Board of Directors

SAMUEL SARPONG
MEMBER

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

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

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

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

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

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

KWAKU BEDIAKO
MEMBER

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

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

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

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

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

EMMANUEL ODARTEY LAMPTEY
MEMBER

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

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

Emmanuel started his career with KPMG, Ghana, in June 2000 as a trainee accountant and has subsequently held senior management positions including Group Head, Finance at Ecobank Transnational Incorporated (Togo) and Chief Financial Officer – Anglophone West Africa at Ecobank Ghana. He also held several roles at Standard Bank of South Africa Group and at Alexander Forbes Group Holdings in South Africa.

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

Emmanuel is an alumnus of Harvard Business School (USA) and a Fellow of the Association of Chartered Certified Accountants (ACCA) in the UK. He also holds a Bachelor of Commerce degree from the University of Cape Coast, Ghana.

PROFESSOR KWAKU APPIAH-ADU
MEMBER

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

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

In academia, he has served as Dean of Central University Business School and lectured at the universities of Cardiff and Portsmouth. He is an author of several books. His recent edited/co-edited titles are: Contemporary Business Imperatives in a Developing Economy (2020); Context: Executing Strategy in a Developing Economy (2018); Key Determinants of National Development (2015); and Governance of the Petroleum Sector in an Emerging Developing Economy (2013).

With over 100 publications, he has facilitated workshops and presented papers at numerous international fora. He is Board Chairman, Glico Pensions Trustee Ltd, and a Director of Vivo Energy Ghana Ltd, Ghana Grid Company Ltd, Golden Beach Hotels Ltd and Switchback Developers Ltd.

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

Leadership Team

KADER MAIGA
MANAGING DIRECTOR

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

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

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FINANCE MANAGER

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

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

MERCY AMOAH
HUMAN RESOURCES MANAGER

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

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

NAA SHIOKOR BOI-BI-BOI
LEGAL MANAGER

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

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

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

Leadership Team

REINDOLF DOMEY
SUPPLY AND DISTRIBUTION MANAGER

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

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

Reindolf is a business leader and has deep knowledge of operation management, with over 10 years in a senior management position.

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

SHIRLEY TONY KUM
CORPORATE COMMUNICATIONS MANAGER

Shirley Tony Kum is an Accredited Public Relations Practitioner with over 15 years of experience in public relations, communications and integrated marketing communications in the media, mining and petroleum sectors. Prior to her current role at Vivo Energy Ghana, Shirley worked at Newmont Golden Ridge Limited, Stratcomm Africa Limited, Ministry of Parliamentary Affairs and the Ghana Broadcasting Corporation.

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

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

BERNARD KWASI BOSOMPEM
COMMERCIAL MANAGER

Bernard Bosompem has 15 years' experience in commercial sales and management from Mantrac Ghana Limited, Cummins Power Generation and AKSA Generators Ghana Limited where he was responsible for commercial business growth and customer relationship management, selling and supporting the power generation equipment department.

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

EMIL JACKSON ADANUVOR
RETAIL MANAGER

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

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

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

Leadership Team

PATRICK ADDAI
CONVENIENCE RETAIL MANAGER

Patrick Addai is a business development expert with 15 years of experience in Retail, Network Development and Engineering.

Patrick started his career with Shell, working in various departments in Engineering and Retail. At Vivo Energy Ghana, he has predominantly worked as a Portfolio Planning Manager and currently heads the Non-Fuel Retail business.

Patrick holds an MSc in Engineering Project Management from Coventry University and a BSc in Civil Engineering from the Kwame Nkrumah University of Science and Technology.

KWAME ASANTE
LUBRICANTS MANAGER

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

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

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

JOSEPH BOAKYE KANKAM
HSSE MANAGER

Joseph Kankam has over 25 years' work experience in the engineering and downstream energy business in Ghana.

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

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

Joseph has a BSc in Engineering from Kwame Nkrumah University of Science and Technology and an EMBA in Project Management from the University of Ghana Business School.

KWEKU SEKYI-CANN
MARKETING MANAGER

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

He has over 20 years' experience in business and professional marketing from Cicada Consulting Ltd, Guinness Ghana Breweries Ltd, Meta Abo Brewery SC – Addis Ababa, and Coca-Cola Nigeria & Equatorial Africa Division.

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

Statement of Directors' responsibilities

The Directors are responsible for the preparation of financial statements of the Company in accordance with applicable laws and regulations. The Companies Act, 2019 (Act 992) requires the Directors to prepare the Company's financial statements for each financial year. The Directors are responsible for the preparation of financial statements which give a true and fair view of the Company. The financial statements comprise the statement of financial position as of 31 December 2023, statement of comprehensive income, changes in equity and cash flows for the just ended year, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and in the manner required by the Companies Act, 2019 (Act 992).

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

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

Principal activities

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

Joint venture

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

Holding company

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

Financial results

The financial results for the year ended 31 December 2023 are set out below

	GH ¢'000
Profit before income tax is	**126,039**
from which is deducted income tax expense of	**(54,688)**
giving a profit after income tax expense of	**71,351**
to which is added surplus brought forward on retained earnings of	**235**
from which other movements in equity of	**(1,194)**
leaving a surplus carried forward on retained earnings of	**70,392**

Dividend

The Directors recommend the payment of a dividend of GH¢6.639 per share (2022: GH¢8.460 per share) amounting to GH¢70.153 million for the year ended 31 December 2023 (2022: GH¢89.400 million).

Capacity building for Directors

The Directors of the Company were engaged in a combination of instructor-led and self-development training courses, aimed at strengthening their skills and abilities in the exercise of their duties as directors during the year ended 31 December 2023.

Interest of Directors

During the year ended 31 December 2023, no significant or material contract was entered into by the Company in which directors of the Company had an interest which significantly or materially affected the business of the Company.

Corporate social responsibility

The Company committed a total amount of GH¢548,691 towards corporate social responsibility activities during the year ended 31 December 2023.

Auditor

In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992), Ernst & Young Chartered Accountants have expressed their willingness to continue in office as the company's auditor.

The auditor's remuneration for the year ended 31 December 2023 is GH¢571,376 (2022: GH¢747,598).

BY ORDER OF THE BOARD

Name of Director
MERCY AMOAH

4 July 2024

Name of Director
EMMANUEL ODARTEY LAMPTEY

4 July 2024

PROXY FORM

I/We...

of...

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

of...

or failing him/her...

of...

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of Shareholders of the Company, to be held on Thursday 25 July 2024 and at any adjournment thereof.

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

RESOLUTIONS	For	Against	Abstain
I. To appoint new Directors			
II. To re-elect existing Directors			
III. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements of the company for the year ended 31 December 2023			
IV. To declare dividends			
V. To authorize the Directors to fix the remuneration of the Auditors			
VI.. To approve the remuneration of Directors.			

Signed this ______________ day of ______________ 2024

____

Signature

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

Financial Statements

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

Independent Auditor's Report to the members of Vivo Energy Ghana Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Vivo Energy Ghana Limited set out on pages 43 to 65, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Vivo Energy Ghana Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992).

BASIS FOR OPINION

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

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the 65-page document titled 'Vivo Energy Ghana Limited, Annual Reports and Financial Statements, 31 December 2023', other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

The financial statements of the Company for the year ended 31 December 2022 were audited by another independent auditor, who expressed an unmodified opinion on those statements on 30 June 2023.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

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

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

Report on other legal and regulatory requirements

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

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

ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;

iii. The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of the Company are in agreement with the underlying books of account;

iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the financial year then ended;

v. We are independent of the Company pursuant to Section 143 of the Companies Act, 2019 Act 992).

The Engagement Partner on the audit resulting in this independent auditor's report is Kwadjo Yeboah (ICAG/P/1627).

Ernst + Young

Ernst & Young (ICAG/F/2024/126)
Chartered Accountants
Accra, Ghana

4 July 2024

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis)

GH ¢'000	Notes	2023	2022
Revenue from contract with customers	5	**5,637,881**	4,782,718
Cost of sales	6	**(5,179,589)**	(4,366,493)
Gross profit		**458,292**	416,225
Selling, general and administrative expenses	7	**(279,862)**	(268,350)
Other income	8	**31,294**	25,042
Net impairment reversals	15	**1,465**	2,178
Operating profit		**211,189**	175,095
Finance costs	9	**(86,187)**	(32,098)
Finance income	9	**674**	366
Share of profit/(loss) on investments accounted for using the equity method	13	**363**	(85)
Profit before income tax		**126,039**	143,278
Income tax expense	10	**(54,688)**	(53,878)
Profit for the year		**71,351**	89,400
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of comprehensive income			
Re-measurement of post-employment benefit obligation	28	**6,246**	(870)
Deferred tax credit/(charge)	10	**(1,562)**	218
Total other comprehensive income/(loss)		**4,684**	(652)
Total comprehensive income for the year		**76,035**	88,748
Earnings per share:			
Basic earnings per share (in GH¢)	24	**6.7522**	8.4603
Diluted earnings per share (in GH¢)	24	**6.7522**	8.4603

The notes on pages 47 to 65 are an integral part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana cedis)

GH ¢'000	Notes	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	11	**385,779**	338,186
Intangible assets	12	**704**	748
Investment in joint ventures and associates	13	**537**	174
Deferred tax assets	10	**894**	211
Total Non-current assets		**387,914**	339,319
Current assets			
Inventories	14	**183,563**	209,723
Trade and other receivables	15	**312,022**	320,357
Amount due from related entities	25	**6,891**	10,921
Bank balances	16	**109,045**	115,067
Total current assets		**611,521**	656,068
Total assets		**999,435**	995,387

GH ¢'000	Notes	31 December 2023	31 December 2022
Equity			
Stated capital	20	**2,311**	2,311
Proposed dividend		**-**	88,201
Other reserves	23	**4,299**	(385)
Retained earnings	21	**70,392**	235
Total equity		**77,002**	90,362
Liabilities			
Non-current liabilities			
Post-employment medical benefits	28	**21,758**	22,356
Lease liabilities	18	**32,536**	24,686
Total non-current liabilities		**54,294**	47,042
Current liabilities			
Trade and other payables	17	**602,094**	661,798
Dividend payable	22	**66,458**	-
Lease liabilities	18	**10,942**	10,942
Amount due to related entities	25	**133,807**	137,001
Current income tax liabilities	10	**695**	7,918
Growth and sustainability payable	10	**16**	-
Bank overdrafts	16	**54,127**	40,324
Total current liabilities		**868,139**	857,983
Total liabilities		**922,433**	905,025
Total equity and liabilities		**999,435**	995,387

The notes on pages 47 to 65 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and signed on its behalf by:

Name of Director
MERCY AMOAH

4 July 2024

Name of Director
EMMANUEL ODARTEY LAMPTEY

4 July 2024

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana cedis)

Year ended 31 December 2023	Notes	Share capital	Retained earnings	Other Reserves	Proposed Dividend	Total
Balance at 1 January 2023		**2,311**	**235**	**(385)**	**88,201**	**90,362**
Total comprehensive income for the year						
Profit for the year		-	71,351	-	-	**71,351**
Other comprehensive income, net of tax		-	-	4,684	-	**4,684**
Total comprehensive income for the year		-	71,351	4,684	-	**76,035**
Transactions with owners recognised directly in equity:						
Transfer to retained earnings			88,201	-	(88,201)	-
Prior year dividend declared		-	(89,395)	-	-	**(89,395)**
Total transactions with owners		-	(1,194)	-	(88,201)	**(89,395)**
Balance at 31 December 2023		**2,311**	**70,392**	**4,299**	-	**77,002**

Year ended 31 December 2022	Notes	Share capital	Retained earnings	Other Reserves	Proposed Dividend	Total
Balance at 1 January 2022		2,311	235	267	72,937	75,750
Total comprehensive income for the year						
Profit for the year		-	89,400	-	-	89,400
Other comprehensive income, net of tax		-	-	(652)	-	(652)
Total comprehensive income for the year		-	89,400	(652)	-	88,748
Transactions with owners recognised directly in equity:						
Dividend proposed for 2022		-	(89,400)	-	89,400	-
Dividend paid for 2021		-	-	-	(74,136)	(74,136)
Total transactions with owners		-	(89,400)	-	15,264	(74,136)
Balance at 31 December 2022		2,311	235	(385)	88,201	90,362

The notes on pages 47 to 65 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis)

Year ended 31 December 2023	Notes	2023	2022
Cash flow from operating activities			
Profit before tax		**126,039**	143,278
Adjustment for:			
Depreciation of property, plant and equipment	11	**37,055**	30,942
Amortisation of intangible assets	12	**44**	43
Gain on disposal of property, plant and equipment	11	**(5,896)**	(288)
Other movements** – Notes 10, 11, 18		**3,419**	-
Exchange difference		**23,277**	3,144
Share of (profit)/loss on investment in joint venture	13	**(363)**	85
Post-employment benefit expense	28	**7,586**	4,146
Post-employment benefit paid	28	**(1,938)**	(1,758)
Provision for inventory		**(428)**	(425)
Decrease in provision for impairment of receivables		**(1,465)**	(163)
Decrease/(Increase) in inventories (gross)		**26,588**	(70,172)
Decrease/(Increase) in trade and other receivables (gross)		**9,800**	(172,406)
Decrease/(Increase) in amount due from related entities		**4,030**	(8,472)
(Decrease)/Increase in trade and other payables		**(59,704)**	174,664
(Decrease)/Increase in amount due to related entities		**(3,194)**	68,433
Finance costs	9	**86,187**	32,098
Finance income	9	**(674)**	(366)
Cash flows from operations		**250,363**	202,783
Interest paid on bank overdrafts	9	**(62,989)**	(26,742)
Interest charges from Ghana Revenue Authority paid	9	**(16,673)**	-
Interest received	9	**674**	366
Tax paid	10	**(64,558)**	(32,099)
Net cash inflow from operating activities		**106,817**	144,308
Cash flow from investing activities			
Purchase of property, plant and equipment	11	**(82,087)**	(59,380)
Proceeds from disposal of property, plant and equipment	11	**5,952**	208
Net cash outflow from investing activities		**(76,135)**	(59,172)
Cash flow from financing activities			
Dividend paid	22	**(22,937)**	(74,136)
Lease payments	18	**(4,293)**	(2,562)
Net cash outflow from financing activities		**(27,230)**	(76,698)

Year ended 31 December 2023	Notes	2023	2022
Net increase in cash and cash equivalents		**3,452**	8,438
Cash and cash equivalents as at 1 January		**74,743**	69,449
Effect of exchange rate changes on cash and cash equivalents		**(23,277)**	(3,144)
Cash and cash equivalents as at 31 December		**54,918**	74,743

The notes on pages 47 to 65 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

(i) Statement of compliance

The financial statements of the Company have been prepared to comply with International Financial Reporting Standards (IFRS) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and in the manner required by the Companies Act, 2019 (Act 992).

In 2023, Ghana's cumulative inflation rate over 3-years exceeded 100% which triggered the quantitative hyperinflation criteria in IAS 29. The Institute of Chartered Accountants Ghana (ICAG) performed an assessment using the various criteria in IAS 29 and concluded in its directive issued in January 2024 that IAS 29 will not be applicable for the December 2023 financial reporting period. This conclusion has been applied in the preparation of the financial statements of the Company.

(ii) Historical cost convention

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

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

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

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

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have had an impact on the entity's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements

Definition of Accounting Estimates – Amendments to IAS 8

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

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

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

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

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

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

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

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.

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

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards and amendments are not expected to have a material impact on the Company in the current or future periods.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

(a) Basis of preparation (continued)

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

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

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

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

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

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the company's financial statements.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the company's financial statements.

Lack of Exchangeability – Amendment to IAS 21

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:
- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purposed. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use:
- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:
- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. At this stage, the Company does not intend to adopt the standard before its effective date. The Company does not expect the amendments to have a significant impact on its financial statements.

(b) Joint arrangement

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

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

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

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

(c) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

(d) Revenue from contracts with customers

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

The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. A receivable is recognised when the goods are

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Revenue is recognised at point in time.

Financing component: The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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

(e) Property, plant and equipment

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

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

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

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

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

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

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

(f) Intangible assets

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

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

(g) Trade and other payables

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

(h) Inventories

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

(i) Financial assets

i. Classification

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

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

ii. Recognition and derecognition

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

iii. Measurement

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

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

iv. Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate. Loss allowances for financial assets other than trade receivables are measured at an amount equal to lifetime Expected Credit Losses ('ECLs'). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix, which takes into account historical credit loss experience adjusted for forward looking information. For trade receivables and other financial assets, ECL is measured at the amount equal to twelve-months ECL unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

(j) Financial liabilities

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

(k) Determination of fair value

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

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

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

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

(l) Offsetting financial instruments

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

(m) Trade and other receivables

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

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

(n) Borrowings

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

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

(o) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(p) Stated capital

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

(q) Cash and cash equivalents

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

(r) Employee benefits

Short-tem obligations

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

Defined contribution plan

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

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

Long service award

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

Post-employment obligations

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

The present value of the obligation is determined by discounting the estimated future cash outflows using the average yield of government bonds with maturity of 5 years and above. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

which they arise. These obligations are valued annually by independent qualified actuaries.

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

(s) Income tax

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

Current income tax is the amount of tax payable on taxable profit for the year in accordance with relevant tax laws. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

(t) Dividends

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

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

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

(v) Leases

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

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

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

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

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

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

Company acting as a lessor

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

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the leases are for the major part of the economic life of the asset. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

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

(w) Impairment of assets

Assets with finite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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

(x) Borrowing costs

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

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Post-employment medical benefits

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

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

Accounting for leases under IFRS 16

In establishing the lease term for each lease contract that has an option to extend, judgement has been applied to determine the extension period. When it is concluded that it is reasonably certain that the extension option will be utilised, the lease term is extended to include the reasonably certain period, usually five years.

The lease agreements have the option to extend the leases and the option to terminate the leases. The extension options in different contracts vary between five years to unlimited period. The Company uses significant assumption that all of the existing leases that are expiring within the following five years that have an extension option will be extended for an additional five years period, when determining the lease term. In addition, IFRS 16 requires lease payments to be discounted using the interest rate implicit in the lease. In case the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate should be used. That is the rate of interest that a lessee would have to pay to borrow over a similar value to the right of use asset in a similar economic environment. Accordingly, the Company elected to use the borrowing rates needed to acquire a similar asset.

Impairment of trade receivables

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

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business.

The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market risk

Foreign exchange risk

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

At 31 December 2023, if the currency had weakened/strengthened by 10% (2022: 10%) against the US dollar with all other variables held constant, post-tax profit for the year and equity would have been GH¢36,309,125 (2022: GH¢18,834,409) higher/lower, mainly as a result of US dollar denominated trade and other payables, trade and other receivables, amount due from/due to related parties and bank balances.

At 31 December 2023, the Company's exposure to the Euro was immaterial.

Cash flow interest rate risk

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

As 31 December 2023, if market interest rate had been 100 basis points higher/lower with all variables

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

held constant, post-tax profit for the year would have been GH¢405,954 lower/higher as a result of interest expense on borrowings (2022: GH¢302,429).

Credit risk

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

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

The Company transacts business with only financial institutions licensed by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). For trade and other receivables (except prepayments) and amounts due from related entities, the Credit Controller assesses the credit quality of the counterparty, taking into account its financial position, past experience and other factors.

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

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

	2023	2022
Trade and other receivables (excluding non-financial assets)	**280,155**	219,770
Impairment charge	**(12,220)**	(13,685)
Net trade and other receivables	**267,935**	206,085
Bank balances	**109,045**	115,067
Amount due from related entities	**6,891**	10,921
Total credit risk exposure	**383,871**	332,073

Except trade receivables which are partially secured, no collateral is held in respect of the above assets.

Financial instruments subject to impairment

			2023	2022
Financial assets	**Not impaired**	**Credit impaired**	**Total**	
Bank balances	**109,045**		**109,045**	115,067
Trade receivables	**265,979**	**12,220**	**278,199**	215,988
Other receivables	**601**		**601**	2,663
Amount due from staff	**1,355**	**-**	**1,355**	1,119
Amount due from related entities	**6,891**	**-**	**6,891**	10,921
Gross carrying amount	**383,871**	**12,220**	**396,091**	345,758
Loss allowance	**-**	**(12,220)**	**(12,220)**	(13,685)
Net carrying amount	**383,871**	**-**	**383,871**	332,073

Liquidity risk

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

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

	At 31 December 2023			
	Less than 1 year Carrying Value	**More than 1 year Carrying Value**	**Less than 1 year Cash flow**	**Less than 1 year Cash flow**
Trade and other payables (excluding statutory obligations)	**502,945**	**-**	**502,945**	**-**
Amount due to related entities	**133,807**	**-**	**133,807**	**-**
Lease liabilities	**10,942**	**32,536**	**10,942**	**39,757**
Bank overdrafts	**54,127**	**-**	**58,692**	**-**
Total	**701,821**	**32,536**	**706,386**	**39,757**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

	At 31 December 2022			
	Less than 1 year Carrying Value	More than 1 year Carrying Value	Less than 1 year Cash flow	Less than 1 year Cash flow
Trade and other payables (excluding statutory obligations)	564,083	-	564,083	-
Amount due to related entities	137,001	-	137,001	-
Lease liabilities	10,942	24,686	10,942	30,416
Bank overdrafts	40,324	-	43,725	-
Total	752,350	24,686	755,751	30,416

Classification of financial assets and liabilities

	At 31 December 2023	At 31 December 2022
Financial assets at amortised cost		
Trade and other receivables (less prepayments and VAT receivable)	**267,935**	206,085
Amount due from related entities	**6,891**	10,921
Bank balances	**109,045**	115,067
	383,871	332,073
Financial liabilities at amortised costs		
Trade and other payables (excluding statutory obligations)	**502,945**	564,083
Lease liabilities	**43,478**	35,628
Bank overdrafts	**54,127**	40,324
Amounts due to related entities	**133,807**	137,001
	734,357	777,036

Fair value of financial assets and liabilities

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

Capital risk management

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

The Company monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position plus net debt.

The gearing ratio at year end was as follows:

	2023	2022
Bank balances	**109,045**	115,067
Lease liabilities	**(43,478)**	(35,628)
Bank overdrafts	**(54,127)**	(40,324)
Net debt	**11,440**	39,115
Total equity	**77,002**	90,362
Total capital	**77,002**	90,362
Gearing ratio	**-**	-

5. REVENUE FROM CONTRACTS WITH CUSTOMER

	2023	2022
Gross revenue less discounts	**6,601,101**	5,708,125
Customs duties and levies	**(963,220)**	(925,407)
Net revenue	**5,637,881**	4,782,718

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

	Year ended 31 December 2023			
	At 1 January	Amount accrued	Rewards redeemed	At 31 December
Customer incentive programme	**1,788**	**1,746**	**(1,865)**	**1,669**

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

6. COST OF SALES

	2023	2022
Purchased cost of inventory sold	**4,877,546**	4,226,917
Transport and other freight costs	**302,043**	139,576
	5,179,589	4,366,493

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

7. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Staff costs	**75,340**	50,786
Depreciation and amortisation	**37,100**	30,985
Auditor's remuneration	**571**	748
Consultancy	**11,047**	9,872
Directors' emoluments	**176**	179
Donations and sponsorships	**549**	379
Promotional expenses	**18,483**	11,701
Service fees	**82,536**	79,213
Bad debts written off	**181**	-
Insurance expenses	**2,089**	1,135
Variable lease payments	**8,255**	11,116
Short-term leases	**1,601**	1,116
Office consumables	**4,981**	3,835
Exchange differences (net)	**420**	106
Repairs and maintenance	**22,537**	20,933
Information and communication expenses	**2,957**	1,317
Travel expenses	**3,653**	4,110
Loss on disposal/write-off of property, plant and equipment	**21**	-
Taxes and levies	**762**	1,543
Fines and penalties	**891**	34,376
Legal expenses	**440**	1,024
Other general and administrative expenses	**5,272**	3,876
	279,862	268,350

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

The staff costs comprise:

	2023	2022
Wages, salaries and performance rewards	**37,997**	26,054
Staff welfare	**5,037**	3,677
Staff allowances	**10,180**	6,804
Social security contributions	**2,756**	2,119
Provident fund contributions	**3,442**	2,355
Post-employment medical benefits	**7,586**	4,146
Long-Term incentive expense	**2,064**	1,510
Other staff-related costs	**6,278**	4,121
	75,340	50,786

The average number of persons employed by the Company during the year was 134 (2022: 137).

8. OTHER INCOME

	2023	2022
Convenience retail income	**25,224**	24,577
Non-fuel income	**312**	231
Gain on disposal	**5,896**	288
Rental (expenses)	**(138)**	(54)
	31,294	25,042

9. FINANCE COSTS AND INCOME

Finance costs	2023	2022
Interest expense on bank overdrafts	**62,989**	26,742
Interest charges from Ghana Revenue Authority	**16,673**	-
Interest expense on leases	**6,525**	5,356
	86,187	32,098

Finance income	2023	2022
Interest income on bank accounts	**674**	366

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

10. INCOME TAX

Income tax expenses in the statement of comprehensive income comprise:

	2023	2022
Current income tax expense	**45,307**	58,338
Growth and sustainability charge	**4,202**	-
Additional Tax Audit Liability	**7,424**	-
Deferred tax (credit)	**(2,245)**	(4,460)
	54,688	53,878

Income tax charge to profit or loss in 2023 comprise of tax audit liability of GH¢7.42 million relating to Ghana Revenue Authority (GRA) transfer pricing audit for the period 2014 to 2019 as well as current income tax charge of GH¢45.3 million.

In 2023, the adjustment of GH¢0.418 million relates to tax balances that have been written-off in the current year because of the company's prior year balance clean-up within the income tax account.

In 2022, the adjustment of GH¢10.11 million relates to tax credit granted by the Ghana Revenue Authority (GRA) following the 2015 to 2020 tax audit conducted by GRA. The current income tax for 2015 to 2020, prior to the audit, was GH¢24.72 million. The difference between the carrying amount and the tax credit granted by GRA has been written off as a charge. The tax credit was used to settle the Company's indirect tax liability.

Current income tax

					31 December 2023
	Balance at 1 January	Charge to profit or loss	Payments in the year	Adjustment	Balance at 31 December
Year of assessment					
Up to 2022	**7,918**	**-**	**-**	**-**	**7,918**
2023	**-**	**52,731**	**(60,372)**	**418**	**(7,223)**
	7,918	**52,731**	**(60,372)**	**418**	**695**

					31 December 2022
	Balance at 1 January	Charge to profit or loss	Payments in the year	Adjustment	Balance at 31 December
Year of assessment					
Up to 2021	(28,434)	14,603	-	10,113	(3,718)
2022	-	43,735	(32,099)	-	11,636
	(28,434)	58,338	(32,099)	10,113	7,918

Growth and Sustainability Levy payable

					31 December 2023
	Balance at 1 January	Charge to profit or loss	Payments in the year	Adjustment	Balance at 31 December
Year of assessment					
Up to 2022	**-**	**-**	**-**	**-**	**-**
2023	**-**	**4,202**	**(4,186)**	**-**	**16**
	-	**4,202**	**(4,186)**	**-**	**16**

Growth and Sustainability Levy is applied at 5% on profit before tax in accordance with the Growth and Sustainability Levy Act 2023 (Act 1095). This has been prorated for only three quarters since the Act was passed on 1 May 2023.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

Deferred tax

Deferred tax is calculated using the enacted income tax rate of 25% (2022: 25%). The movement on the deferred tax (assets)/liabilities account is as follows:

	2023	2022
At 1 January	**(211)**	4,467
(Credit)/charge to statement of comprehensive income	**(2,245)**	(4,460)
(Credit)/charge to other comprehensive income	**1,562**	(218)
At 31 December	**(894)**	(211)

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

Deferred income tax liabilities/(assets)	At 1 January	(Credit)/charge to profit or loss	Credit to other comprehensive income	At 31 December
Year ended 31 December 2023				
Accelerated tax depreciation	**9,563**	**5,631**	**-**	**15,194**
Other deductible temporary differences	**(6,179)**	**1,958**	**-**	**(4,221)**
Provision for doubtful debt	**(3,421)**	**(8,799)**	**-**	**(12,220)**
Right-of-use assets	**(174)**	**(1,035)**	**-**	**(1,209)**
Post-Retirement Benefit Obligations	**-**	**-**	**1,562**	**1,562**
Net deferred income tax liabilities/(assets)	**(211)**	**(2,245)**	**1,562**	**(894)**

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

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

	2023	2022
Profit before income tax	**126,039**	143,278
Tax calculated at the statutory income tax rate of 25% (2022: 25%)	**31,510**	35,820
Adjusted for tax effect of:		
Expenses not deductible for tax purposes	**15,097**	8,688
Under provision for prior year taxes	**8,081**	9,370
Income tax expense	**54,688**	53,878
Effective tax rate	**43.4%**	37.6%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

11. PROPERTY, PLANT AND EQUIPMENT

	Year ended 31 December 2023						
	Leasehold land and building	Motor vehicles	Plant and machinery	Furniture, fittings and computer equipment	Right-of-use (ROU) assets	Capital work-in-progress	Total
Cost at 1 January 2023	**148,468**	**12,239**	**113,570**	**55,726**	**142,865**	**24,670**	**497,698**
Additions	**18,565**	**7,175**	**15,309**	**8,454**	**17,042**	**20,332**	**86,877**
Disposals	**(95)**	**(1,293)**	**(10)**	**(13)**	**-**	**-**	**(1,411)**
Other movements	**-**	**-**	**-**	**-**	**(3,174)**	**-**	**(3,174)**
Transfers	**10,143**	**-**	**3,836**	**3,593**	**-**	**(17,572)**	**-**
At 31 December	**177,081**	**18,281**	**132,705**	**67,760**	**156,733**	**27,430**	**579,990**
Accumulated depreciation at 1 January 2023	**31,913**	**8,349**	**50,195**	**33,666**	**35,389**	**-**	**159,512**
Charge for year	**8,390**	**2,011**	**10,129**	**5,713**	**10,812**	**-**	**37,055**
Release on disposals	**(40)**	**(1,293)**	**(8)**	**(13)**	**-**	**-**	**(1,354)**
Other movements	**-**	**-**	**-**	**-**	**(1,002)**	**-**	**(1,002)**
At 31 December	**40,263**	**9,067**	**60,316**	**39,366**	**45,199**	**-**	**194,211**
Net book amount At 31 December 2023	**136,818**	**9,214**	**72,389**	**28,394**	**111,534**	**27,430**	**385,779**

	Year ended 31 December 2022						
	Leasehold land and building	Motor vehicles	Plant and machinery	Furniture, fittings and computer equipment	Right-of-use (ROU) assets	Capital work-in-progress	Total
Cost at 1 January 2022	127,333	10,891	97,041	51,733	115,655	21,877	424,530
Additions	12,925	2,757	11,509	1,558	28,028	21,010	77,787
Disposals	2,516	51	(858)	3,412	(165)	277	5,233
Other movements	(852)	(1,300)	(4,835)	(2,212)	(653)	-	(9,852)
Transfers	6,546	-	10,713	1,235	-	(18,494)	-
At 31 December	148,468	12,399	113,570	55,726	142,865	24,670	497,698
Accumulated depreciation at 1 January 2023	25,548	8,293	45,429	27,367	26,465	-	133,102
Charge for year	6,184	1,341	8,486	5,277	9,654	-	30,942
Release on disposals	1,033	15	1,115	3,234	(164)	-	5,233
Other movements	(852)	(1,300)	(4,835)	(2,212)	(566)	-	(9,765)
At 31 December	31,913	8,349	50,195	33,666	35,389	-	159,512
Net book amount At 31 December 2022	116,555	4,050	63,375	22,060	107,476	24,670	338,186

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Other movements for the year ended 31 December 2023 relates to a top-up adjustment to the right-of-use assets resulting from overstatement of cost and accumulated depreciation in the recognition and measurement of lease entered in prior years.

Additions for the year ended 31 December 2023 includes items of property, plant and equipment that were purchased on credit and capitalised lease liabilities totalling GH¢4,788,654 (2022: GH¢18,407,893).

Gain on disposal of property, plant and equipment

	2023	2022
Cost	**1,410**	9,852
Accumulated depreciation	**(1,354)**	(9,765)
Net book amount	**56**	87
Proceeds from disposal	**(5,952)**	(208)
Lease liabilities on ROU assets disposed		(167)
Gain on disposal of property, plant and equipment	**(5,896)**	(288)

12. INTANGIBLE ASSETS

Software	2023	2022
Cost At 1 January	**875**	875
Accumulated amortisation		
At 1 January	**127**	84
Charge for the year	**44**	43
At 31 December	**171**	127
Net book amount At 31 December	**704**	748

13. INVESTMENT IN JOINT VENTURE

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

	2023	2022
At 1 January	**174**	259
Share of profit/(loss)	**363**	(85)
At 31 December	**537**	174

13. INVESTMENT IN JOINT VENTURE (CONTINUED)

Summarised financial information for joint venture

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

Summarised statement of financial position

	2023	2022
Cash and cash equivalents	**435**	220
Other assets	**4,000**	3,519
Total current assets	**4,435**	3,739
Trade payables	**(1,843)**	(863)
Other current liabilities	**(1,986)**	(3,061)
Total current liabilities	**(3,829)**	(3,924)
Total non-current liabilities	**-**	-
Non-current assets	**468**	533
Net assets	**1,074**	348

Summarised statement of comprehensive income

Revenue	**8,663**	6,493
Cost of sales	**(3,626)**	(3,338)
Gross profit	**5,037**	3,155
Depreciation and amortisation	**(229)**	(216)
General, selling and administrative expenses	**(3,570)**	(3,202)
Operating profit/(loss)	**1,238**	(263)
Other income	**12**	26
Profit/(loss) before tax	**1,250**	(237)
Income tax (expense)/credit	**(313)**	67
Net Profit/(loss) for the year	**937**	(170)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

13. INVESTMENT IN JOINT VENTURE (CONTINUED)

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

	2023	2022
Opening net assets	**348**	518
Prior year adjustment	**(211)**	-
Profit/(loss) for the year	**937**	(170)
Closing net assets	**1,074**	348
Interest in joint venture at 50%	**537**	174
Carrying amount	**537**	174

14. INVENTORIES

	2023	2022
Petroleum products	**181,917**	209,674
Consumables	**2,192**	1,023
	184,109	210,697
Less: Provision for obsolescence	**(546)**	(974)
	183,563	209,723

Inventories recognised as an expense during the year ended 31 December 2023 amounted to GH¢4.877 billion (2022: GH¢4.227 billion). These were included in cost of sales under note 6.

The provision for inventory relates to damaged and slow-moving lubricant stocks. There was no write-down of inventories to net realisable value during the year ended 31 December 2023 (2022:Nil)

15. TRADE AND OTHER RECEIVABLES

	2023	2022
Financial assets at amortised cost		
Trade receivables (gross)	**278,199**	215,988
Less: loss allowance	**(12,220)**	(13,685)
Trade receivables (net)	**265,979**	202,303
Advances to staff	**1,355**	1,119
Other receivables	**601**	2,663
	267,935	206,085
Non-financial assets		
Prepayments	**33,864**	113,532
VAT receivable	**10,223**	740
	44,087	114,272
	312,022	320,357

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

	2023	2022
At 1 January	**13,685**	13,848
Decrease during the year	**(1,465)**	(163)
At 31 December	**12,220**	13,685
Net impairment reversals		
Movement in loss allowance for trade receivables	**(1,465)**	(163)
Bad debt recoveries	**-**	(2,015)
	(1,465)	(2,178)

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

16. CASH AND CASH EQUIVALENTS

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

	2023	2022
Bank balances	**109,045**	115,067
Bank overdrafts (note 19)	**(54,127)**	(40,324)
	54,918	74,743

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

17. TRADE AND OTHER PAYABLES

	2023	2022
Trade payables	**336,374**	352,558
Other payables	**97,781**	157,468
Contract liabilities (customer incentive programme) – note 5	**1,669**	1,788
Accruals	**67,121**	52,269
Statutory obligations	**99,149**	97,715
	602,094	661,798

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

18. LEASES

(i) Amounts recognised in the statement of financial position

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

Right-of-use assets	2023	2022
Office building	**24,791**	26,064
Service stations	**86,569**	81,098
Motor vehicles	**174**	314
	111,534	107,476

Right-of-use assets of the Company are included in 'property, plant and equipment' in note 11. During the year ended 31 December 2023, total additions to right-of-use assets was GH¢17,041,931 (2022: GH¢28,028,023).

Lease liabilities	2023	2022
Current	**10,942**	10,942
Non-current	**32,536**	24,686
	43,478	35,628
Movement in lease liabilities		
Opening balance	**35,628**	**18,647**
Additions	**4,789**	**14,354**
Interest expense	**6,525**	**5,356**
Payments	**(4,293)**	**(2,562)**
Other movements	**829**	**-**
Lease terminations	**-**	**(167)**
	43,478	**35,628**

Other movements for the year ended 31 December 2023 relates to a top-up adjustment to lease liabilities resulting from understatement in the recognition and measurement of lease liabilities entered in prior years.

(ii) Amounts recognised in the statement of comprehensive income.

	2023	2022
Depreciation expense		
Office building	**824**	837
Service stations	**9,848**	8,510
Motor vehicles	**140**	141
	10,812	9,488
Interest expense (included in finance costs)	**6,525**	5,356

The total cash outflow for lease liabilities in 2023 was GH¢4,293,000 (2022: GH¢2,561,390).

The value of expenses relating to short-term leases, low-value assets and variable leases not included in lease liabilities is GH¢9,856,000 (2022: GH¢12,232,959). These expenses are related to leases of low-value service stations, variable lease payments on service stations and short-term lease of buses and equipment.

Variable lease payments

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

A 10% increase in sales across all service stations in the Company with such variable lease contracts would increase total lease payments by approximately GH¢1,067,000 (2022: GH¢1,018,000).

19. BANK OVERDRAFTS

a. The Company has an unsecured overdraft facility not exceeding GH¢37.85 million with Societe-Generale Ghana PLC attracting interest at 32.16% p.a. (2022: GH¢25.00 million).

b. The Company has two unsecured overdraft facilities with Ecobank Ghana PLC detailed below.

   i. An amount not exceeding the Ghana cedi equivalent US$9.975 million attracting interest at the Ghana Reference Rate plus 2% (2022: US$12.573 million).

   ii. An amount not exceeding US$ Nil million attracting interest at 5% p.a. (2022: US$1 million).

c. The Company has an unsecured overdraft facility not exceeding GH¢41 million with Stanbic Bank Ghana Limited attracting interest at the Ghana Reference Rate plus 2% (2022: GH¢41 million).

d. The Company has an unsecured overdraft facility not exceeding GH¢90 million with Standard Chartered Bank Ghana PLC attracting interest at 32.96%. (2022: GH¢40 million).

e. The Company has an unsecured overdraft facility not exceeding GH¢90 million with Zenith Bank Ghana Limited attracting interest at 32.96% p.a. (2022: GH¢30 million).

f. The Company has an overdraft facility not exceeding GH¢90 million with Absa Bank Ghana Limited attracting interest at 32.56% p.a. (2022: GH¢51.576 million).

g. The Company has an overdraft facility not exceeding GH¢30 million with GCB Bank PLC attracting interest at 33.16% p.a. (2022: GH¢ 30 million).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

20. STATED CAPITAL

The authorised shares of the Company is 12,000,000 (2022: 12,000,000) ordinary shares of no par value. The shares have been issued as follows:

	Number of shares		Amount	
	2023	**2022**	**2023**	**2022**
Cash consideration	**5,283,900**	5,283,900	**2,220**	2,220
Consideration other than cash	**3,791,697**	3,791,697	**67**	67
Transfer from retained earnings	**1,491,203**	1,491,203	**24**	24
	10,566,800	10,566,800	**2,311**	2,311

The transfer from retained earnings is in accordance with Section 77(1) of the Companies Act, 2019 (Act 992). There is no unpaid liability on any share and there are no calls or instalments unpaid on any share. There are no treasury shares (2022: Nil).

21. RETAINED EARNINGS

Retained earnings represent cumulative earnings available for distribution to members of the Company subject to the requirements of the Companies Act, 2019 (Act 992). Movements in the retained earnings are shown in the statement of changes in equity on page 45 of these financial statements.

22. DIVIDEND PAYABLE

At the next annual general meeting, the directors will recommend payment of a dividend of GH¢6.639 per share amounting to GH¢70.157 million for the year ended 31 December 2023 (2022: GH¢8.460 per share amounting to GH¢89.400 million).

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

	2023
Opening balance	**-**
Prior years dividend declared	**89,395**
Dividend paid	**(22,937)**
At 31 December	**66,458**

During the 2023 financial year, the company paid a dividend of GH¢22,937 (2022: GH¢74,136).

23. OTHER RESERVES

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

	2023	**2022**
At 1 January	**(385)**	267
Actuarial (loss)/gain	**6,246**	(870)
Deferred tax credit/(charge)	**(1,562)**	218
At 31 December	**4,299**	(385)

24. EARNINGS PER SHARE

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

	2023	**2022**
Profit attributable to equity holders of the Company	**71,351**	89,400
Weighted average number of ordinary shares ('000)	**10,567**	10,567
Basic and diluted earnings per share expressed in GH¢ per share	**6.7522**	8.4603

25. RELATED PARTY DISCLOSURES

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

Transactions with key management personnel

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

Remuneration of key management personnel are as follows:

	2023	**2022**
Salaries and other short-term benefits	**18,639**	15,022
Pension and provident fund contributions	**1,313**	872
	19,952	15,894

Transactions with non-executive directors

Fees and allowances paid to non-executive directors during the year ended 31 December 2023 amounted to GH¢176,000 (2022: GH¢179,035).

Transactions with related entities

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

	Nature of relationship	**2023**	**2022**
Purchase of products from related entities by the Company:			
Shell and Vivo Lubricants Ghana Limited	a	**143,769**	93,743
Shell Vivo Lubricants DMCC	c	**250,394**	251,464
Chase Petroleum Limited	d	**143,389**	125,019

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

	Nature of relationship	2023	2022
Chase Logistics Limited	d	**-**	37
Road Safety Limited	b	**-**	994
Sale of products:			
Helios Towers	c	**7,893**	25,004
Vitol Aviation	c	**-**	-
Vivo Energy Mali	c	**2,971**	-
Vivo Energy Cote D'Ivoire	c	**-**	222
Vivo Energy Burkina Faso	c	**117**	2
Vivo Energy Guinea	c	**-**	493
Services rendered by related entities:			
Shell and Vivo Lubricants Ghana Limited	c	**635**	
Vivo Energy Mali	c	**1,048**	743
Vivo Energy Malawi	c	**-**	384
Chase Logistics	c	**69**	-
Vivo Energy Kenya	c	**287**	233
Vivo Energy Senegal	c	**-**	39
Road Safety Limited	b	**1,461**	-
Vivo Energy Ghana Local Union	c	**-**	1
Vivo Energy Africa Services	c	**23,336**	31,728
Services rendered to related entities:			
Vivo Energy Investments B.V.	c	**7,203**	7,250
Shell & Vivo Lubriacnts	c	**301**	-
Vivo Energy Cote D'Ivore	c	**222**	-
Vivo Energy Tanzania	c	**52**	-
Dividends paid to parent company:			
Vivo Energy Ghana Holding B.V.	e	**-**	56,630

a. This is an entity that are related to the Company through common ownership and directorship.
b. This is an entity to which the Company is a joint venturer.
c. These are entities that are related to the Company through common ownership.
d. These are entities that are related to the Company through common directorship.
e. This is the immediate parent entity of the Company.

	2023	2022
Year end balances arising from transactions with related entities:		
Amount due from related entities		
Vivo Energy Investments B.V.	**6,082**	7,055
Vivo Energy Burkina Faso	**120**	-
Vivo Energy Cote D'Ivoire	**-**	162
Vivo Energy Mali	**519**	-
Vivo Energy Tanzania	**45**	21
Vitol Ghana	**-**	57
Shell and Vivo Lubricants Ghana Limited	**125**	98
Helios Towers	**-**	3,528
	6,891	10,921
Amount due to related entities		
Shell and Vivo Lubricants DMCC	**62,276**	100,208
Shell and Vivo Lubricants Ghana Limited	**27,366**	16,552
Vivo Energy Malawi	**30**	-
Chase Petroleum Group	**30,409**	14,471
Road Safety Limited	**118**	61
Vivo Energy Africa Services	**13,515**	5,570
Vivo Energy Kenya	**21**	50
Vivo Energy Mali	**-**	89
Vivo Energy Tanzania	**70**	-
Vivo Energy Uganda Ltd	**2**	-
	133,807	137,001

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

26. CONTINGENT LIABILITIES

The Company was involved in a number of lawsuits during the year. Management's assessment is that the claims against the Company cannot be reasonably estimated or determined and the probability of the outcome of the legal cases are uncertain hence there are no contingent liabilities for the year. (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

27. CAPITAL COMMITMENTS

At 31 December 2023, the Company had capital commitments amounting to GH¢2,140,954 (2022: GH¢2,015,116). These commitments are in respect of the construction and refurbishment of fuel stations.

28. POST-EMPLOYMENT MEDICAL BENEFITS

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

	2023	2022
At 1 January	**22,356**	19,098
Included in profit or loss:		
Current service costs	**214**	184
Interest expense	**7,372**	3,962
	7,586	4,146
Included in other comprehensive income:		
Actuarial remeasurement		
- Losses/(gains) due to experience on defined benefit obligations	**(6,246)**	870
	(6,246)	(870)
Other:		
Benefits paid	**(1,938)**	(1,758)
At 31 December	**21,758**	22,356

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

	2023	2022
Discount rate	**22.00%**	34.50%
Medical cost increase rate	**15.75%**	28.25%
Average medical cost per life (GH¢)	**10,630**	8,289

In 2022 and 2023, the actuarial loss on the post-employment obligations related to changes in financial assumptions. There were no gains/losses from changes in demographic assumptions.

The pension liability is calculated using a discount rate set with reference to the average interest rate of Government of Ghana Bonds issued with a maturity period of 5 years or more. The discount rate is the rate that is used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations.

The table below shows the sensitivity analysis:

	At 31 December	Discount rate +0.5%	Discount rate -0.5%
Year ended 31 December 2023			
Post-employment medical benefits	**21,758**	20,860	22,730
Year ended 31 December 2022			
Post-employment medical benefits	**22,356**	21,485	23,393

Medical cost increase rate

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

The table below shows the sensitivity analysis:

	At 31 December	Medical cost rate +0.5%	Medical cost rate -0.5%
Year ended 31 December 2023			
Post-employment medical benefits	**21,758**	22,780	20,809
Year ended 31 December 2022			
Post-employment medical benefits	**22,356**	23,337	21,441

Average medical cost per life

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

	At 31 December	Average medical cost per life +GH¢500	Average medical cost per life -GH¢500
Year ended 31 December 2023			
Post-employment medical benefits	**21,758**	**22,781**	**20,735**
Year ended 31 December 2022			
Post-employment medical benefits	22,356	21,007	23,705

Life expectancy

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

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The expected benefit payment to post-employment medical plan for the year ended 31 December 2023 is GH¢1,938,000 (2022: GH¢1,977,000).

The weighted average duration of the defined benefit obligation is 11 years (2022: 11 years).

29. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting date, which could have had a material effect on the state of affairs of the Company as at 31 December 2023 and on the results for the year then ended which have not been adequately provided for and/or disclosed.

Shell
HELIX
HX7
10W-40
Shell
HELIX
ULTRA
5W-40
Shell
HELIX
HX8
5W-30
ECT C3
Shell
HELIX
ULTRA
0W-20
SP
Shell
HELIX
Motor oils

Other Information

REGISTERED NAME

VIVO ENERGY GHANA PLC

DIRECTORS

Franck Konan-Yahaut - Chairman
Kader Maiga - Managing Director
Kilai Muasya
Mercy Amoah
Reindolf Domey
Samuel Sarpong
Kwaku Bediako
Professor Kwaku Appiah-Adu
Emmanuel Odartey Lamptey

SECRETARY

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AUDITORS

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SOLICITORS

Bentsi-Entchill, Letsa and Ankomah
AB & David Africa
Morrison, Twumasi & Partners
Kuenyehia & Nutsukpui
Moomin & Botta Solicitors