# GOIL PLC

# ANNUAL REPORT 2023



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# GOIL PLC

# ANNUAL REPORT 2023

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# Company Information

FOR THE YEAR ENDED 31 DECEMBER 2023

**BOARD OF DIRECTORS:**

| | | |
|---|---|---|
| **Mr. Reginald Daniel Laryea** | - | Chairman |
| **Hon. Kwame Osei-Prempeh** | - | Group CEO & MD |
| **Dr. Thomas Kofi Manu** | - | Member |
| **Mr. Beauclerc Ato Williams** | - | Member |
| **Mr. Stephen Abu Tengan** | - | Member |
| **Mr. John Boadu** | - | Member |
| **Ms. Angela Forson** | - | Member |
| **Mrs. Mabel Amoatemaa Sarpong** | - | Member |
| **Mr. Edwin Alfred Provencal** | - | Member |

**SECRETARY:**

Nana Ama Kusi-Appouh
Junction of Kojo Thompson and Adjabeng Road,
House Number D659/4, Kojo Thompson Road,
Adabraka - Accra.
P.O. Box GP 3183,
Accra.

**EXTERNAL SOLICITOR:**

Amenuvor & Associates,
#5 Nii Odartey Osro Street
(Kuku Hills Frontline Capital Advisors Building), Osu.
P. O. Box KA 9488,
Airport - Accra, Ghana.

**AUDITOR:**

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

**REGISTERED OFFICE:**

Junction of Kojo Thompson and Adjabeng Road,
House Number D659/4, Kojo Thompson Road,
Adabraka - Accra.
P.O. Box GP 3183,
Accra.

**BANKERS:**

GCB Bank PLC
Standard Chartered Bank Ghana PLC
Absa Bank Ghana Limited
Ecobank Ghana PLC
Universal Merchant Bank Ghana Limited
ADB Bank Ghana Limited
Prudential Bank Ghana Limited
Zenith Bank Ghana Limited
First Atlantic Merchant Bank Ghana Limited
National Investment Bank Ghana Limited
Societe Generale Ghana PLC
Stanbic Bank Ghana Limited
United Bank for Africa Limited
Consolidated Bank Ghana Limited
Access Bank Ghana Limited

# Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | Notes | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| **Gross revenue** | | **21,720,398** | 22,000,243 | **12,286,993** | 12,442,606 |
| Customs duties and levies | | **(1,113,620)** | (1,256,197) | **(1,113,620)** | (1,256,197) |
| **Net revenue** | | **20,606,778** | 20,744,046 | **11,173,373** | 11,186,409 |
| **Cost of sales** | | **(19,898,015)** | (20,104,861) | **(10,623,900)** | (10,669,067) |
| **Gross profit** | | **708,763** | 639,185 | **549,473** | 517,342 |
| Sundry income | 3 | **51,307** | 31,722 | **50,876** | 31,722 |
| Depot and station expenses | 2a. | **(138,030)** | (107,237) | **(130,388)** | (103,464) |
| Staff, selling & administrative expenses | 2b. | **(444,890)** | (359,956) | **(357,957)** | (303,683) |
| **Operating profit before financing cost** | | **177,150** | 203,714 | **112,004** | 141,917 |
| Net finance expenses | 4 | **(89,878)** | (30,403) | **(82,967)** | (30,339) |
| **Profit before taxation** | | **87,272** | 173,311 | **29,037** | 111,578 |
| Growth and sustainability levy | | **(4,364)** | 0 | **(1,452)** | 0 |
| Income tax expense | 5 | **(28,202)** | (49,417) | **(10,585)** | (30,272) |
| **Net profit after tax attributable to equity holders of the company** | | **54,706** | 123,894 | **17,000** | 81,306 |
| | | | | | |
| **Other comprehensive income** | | | | | |
| Gain/(loss) on fair value through other comprehensive income equity investments | 20 | **5,203** | (1,061) | **5,203** | (1,061) |
| **Total other comprehensive income** | | **5,203** | (1,061) | **5,203** | (1,061) |
| **Total comprehensive income for the year** | | **59,909** | 122,833 | **22,203** | 80,245 |
| **Earning per share (GH¢)** | 28 | **0.140** | 0.316 | **0.043** | 0.207 |
| **Dividend per share (GH¢)** | 21 | **0.056** | 0.056 | **0.056** | 0.056 |

# Consolidated Statement of Financial Position

**As at 31 December 2023**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2023** | 2022 | **2023** | 2022 |
| **NON CURRENT ASSETS** | Notes | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Property, plant and equipment | 8a | **1,630,013** | 1,422,560 | **1,472,270** | 1,387,833 |
| Intangible asset | 12 | **1,212** | 914 | **0** | 23 |
| Right-of-use-asset | 22 | **8,990** | 7,854 | **8,990** | 7,854 |
| Fair value through other comprehensive income investments | 9a | **13,376** | 7,719 | **42,406** | 16,749 |
| **TOTAL NON CURRENT ASSETS** | | **1,653,591** | 1,439,047 | **1,523,666** | 1,412,459 |
| | | | | | |
| **CURRENT ASSETS** | | | | | |
| Inventories | 10 | **684,366** | 890,645 | **185,843** | 179,748 |
| Trade and other receivables | 11 | **1,440,594** | 1,864,902 | **1,464,537** | 1,819,423 |
| Financial assets at amortised cost | 9c | **13,318** | 13,290 | **13,318** | 13,290 |
| Cash and bank balances | 13 | **210,673** | 401,660 | **71,169** | 186,704 |
| **TOTAL CURRENT ASSETS** | | **2,348,951** | 3,170,497 | **1,734,867** | 2,199,165 |
| **TOTAL ASSETS** | | **4,002,542** | 4,609,544 | **3,258,533** | 3,611,624 |
| | | | | | |
| **EQUITY** | | | | | |
| Stated capital | 17 | **185,589** | 185,589 | **185,589** | 185,589 |
| Building fund | 18 | **43,681** | 40,946 | **30,211** | 29,361 |
| Retained earnings | 19 | **584,444** | 554,417 | **328,487** | 334,281 |
| Capital surplus | 20 | **13,075** | 7,872 | **13,075** | 7,872 |
| **TOTAL EQUITY** | | **826,789** | 788,824 | **557,362** | 557,103 |
| | | | | | |
| **NON CURRENT LIABILITIES** | | | | | |
| Deferred tax | 7b | **21,667** | 19,866 | **20,629** | 19,822 |
| Non current term loan | 16b | **62,223** | 86,291 | **62,223** | 86,291 |
| Lease liability | 23 | **3,461** | 3,714 | **3,461** | 3,714 |
| **TOTAL NON CURRENT LIABILITIES** | | **87,351** | 109,871 | **86,313** | 109,827 |
| | | | | | |
| **CURRENT LIABILITIES** | | | | | |
| Bank overdraft | 14 | **350,364** | 127,040 | **350,364** | 127,040 |
| Trade and other payables | 15 | **2,725,063** | 3,514,927 | **2,255,061** | 2,748,026 |
| Current tax | 7a | **1,197** | 7,474 | **(2,345)** | 8,220 |
| Current portion of term loan | 16c | **11,778** | 61,408 | **11,778** | 61,408 |
| **TOTAL CURRENT LIABILITIES** | | **3,088,402** | 3,710,849 | **2,614,858** | 2,944,694 |
| **TOTAL LIABILITIES** | | **3,175,753** | 3,820,720 | **2,701,171** | 3,054,521 |
| **TOTAL EQUITY AND LIABILITIES** | | **4,002,542** | 4,609,544 | **3,258,533** | 3,611,624 |

Approved by the Board on 19th April, 2024.

DIRECTOR
**Reginald Daniel Laryea** *(Chairman)*

DIRECTOR
**Kwame Osei-Prempeh** *(Group CEO & MD)*

# Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2023

| GROUP | Stated Capital | Building Fund | Retained Earnings | Capital Surplus | Totals |
|---|---|---|---|---|---|
| **2023** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Balance as at 1 January 2023 | **185,589** | **40,946** | **554,417** | **7,872** | **788,824** |
| Net profit for the year | **0** | **0** | **54,706** | **0** | **54,706** |
| Transfer to Building Fund | **0** | **2,735** | **(2,735)** | **0** | **0** |
| Fair value through other comprehensive income investments | **0** | **0** | **0** | **5,203** | **5,203** |
| Dividend paid | **0** | **0** | **(21,944)** | **0** | **(21,944)** |
| **Balance as at 31 December 2023** | **185,589** | **43,681** | **584,444** | **13,075** | **826,789** |
| | | | | | |
| **2022** | | | | | |
| Balance as at 1 January 2022 | 185,589 | 34,751 | 455,136 | 8,933 | 684,409 |
| Net profit for the year | 0 | 0 | 123,894 | 0 | 123,894 |
| Transfer to Building Fund | 0 | 6,195 | (6,195) | 0 | 0 |
| Fair value through other comprehensive income investments | 0 | 0 | 0 | (1,061) | (1,061) |
| Dividend paid | 0 | 0 | (18,418) | 0 | (18,418) |
| **Balance as at 31 December 2022** | 185,589 | 40,946 | 554,417 | 7,872 | 788,824 |
| | | | | | |
| **COMPANY** | | | | | |
| **2023** | | | | | |
| Balance as at 1 January 2023 | **185,589** | **29,361** | **334,281** | **7,872** | **557,103** |
| Net profit for the year | **0** | **0** | **17,000** | **0** | **17,000** |
| Transfer to Building Fund | **0** | **850** | **(850)** | **0** | **0** |
| Fair value through other comprehensive income investments | **0** | **0** | **0** | **5,203** | **5,203** |
| Dividend paid | **0** | **0** | **(21,944)** | **0** | **(21,944)** |
| **Balance as at 31 December 2023** | **185,589** | **30,211** | **328,487** | **13,075** | **557,362** |
| | | | | | |
| **2022** | | | | | |
| Balance as at 1 January 2022 | 185,589 | 25,296 | 275,458 | 8,933 | 495,276 |
| Net profit for the year | 0 | 0 | 81,306 | 0 | 81,306 |
| Transfer to Building Fund | 0 | 4,065 | (4,065) | 0 | 0 |
| Fair value through other comprehensive income investments | 0 | 0 | 0 | (1,061) | (1,061) |
| Dividend paid | 0 | 0 | (18,418) | 0 | (18,418) |
| **Balance as at 31 December 2022** | 185,589 | 29,361 | 334,281 | 7,872 | 557,103 |

# Consolidated Statement of Cash Flows

For the Year Ended 31 December 2023

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Cash flow from operating activities** | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| **Operating Profit** | 87,272 | 173,311 | 29,037 | 111,578 |
| **Adjustment for:** | | | | |
| Depreciation and amortisation charges | 67,144 | 62,901 | 55,919 | 59,620 |
| Depreciation - right-of-use-assets | 2,295 | 1,091 | 2,295 | 1,091 |
| Finance cost on lease liability | 654 | 359 | 654 | 359 |
| Profit on sale of property, plant and equipment | 0 | (31) | 0 | (31) |
| Interest and dividend received | (6,216) | (9,633) | (2,837) | (4,701) |
| Interest paid | 96,094 | 40,036 | 85,804 | 35,040 |
| **Operating profit before working capital changes** | 247,243 | 268,034 | 170,872 | 202,956 |
| Changes in inventories | 206,279 | (695,431) | (6,095) | (90,802) |
| Changes in trade and other receivables | 424,308 | (899,718) | 354,886 | (1,105,997) |
| Changes in trade and other payables | (789,864) | 2,026,299 | (492,965) | 1,472,012 |
| **Cash generated from operations** | 87,966 | 699,184 | 26,698 | 478,169 |
| Company tax paid | (37,042) | (46,484) | (21,795) | (25,481) |
| **Net cash inflows from operating activities** | 50,924 | 652,700 | 4,903 | 452,688 |
| | | | | |
| **Cash flows from investing activities** | | | | |
| Interest and dividend received | 6,216 | 9,633 | 2,837 | 4,701 |
| Interest paid | (96,094) | (40,036) | (85,804) | (35,040) |
| Acquisition of intangible assets | (580) | (712) | 0 | 0 |
| Acquisition of property, plant and equipment | (274,315) | (272,281) | (140,333) | (268,727) |
| Repayment of principal portion of lease liabilities | (4,338) | (5,609) | (4,338) | (5,609) |
| Investment in Gobitumen limited | 0 | 0 | (20,000) | 0 |
| Acquisition of additional investment in JUHI | (454) | 0 | (454) | 0 |
| Receipt from disposal of property, plant and equipment | 0 | 33 | 0 | 33 |
| **Net cash outflows from investing activities** | (369,565) | (308,972) | (248,092) | (304,642) |
| **Net cash (outflows)/inflows before financing** | (318,641) | 343,728 | (243,189) | 148,046 |
| | | | | |
| **Cash flows from financing activities** | | | | |
| Changes in term loans | (73,698) | (44,983) | (73,698) | (44,983) |
| Dividend paid | (21,944) | (18,418) | (21,944) | (18,418) |
| **Net cash flows from financing activities** | (95,642) | (63,401) | (95,642) | (63,401) |
| **Net (decrease)/increase in cash and cash equivalents** | (414,283) | 280,327 | (338,831) | 84,645 |
| **Cash and cash equivalents as at 1 January** | 287,910 | 7,583 | 72,954 | (11,691) |
| **Cash and cash equivalents as at 31 December** | (126,373) | 287,910 | (265,877) | 72,954 |
| | | | | |
| **Cash and cash equivalents** | | | | |
| Cash at bank and in hand | 210,673 | 401,660 | 71,169 | 186,704 |
| Bank overdraft | (350,364) | (127,040) | (350,364) | (127,040) |
| Financial assets at amortised cost | 13,318 | 13,290 | 13,318 | 13,290 |
| | (126,373) | 287,910 | (265,877) | 72,954 |

# Notes to the Consolidated Financial Statements

**For the Year Ended 31 December 2023**

## 1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Corporate Information

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

### b. Statement of Compliance

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

### c. Basis of Preparation

The financial statements have been prepared in accordance with all International Financial Reporting Standards with the IAS 29 Directive issued by the Institute of Chartered Accountants Ghana (ICAG), and in the manner required by the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929) and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

The ICAG issued a directive in November 2023 to accountants in business and accountants in practice, together with an update in January 2024 on the application of IAS 29 in Ghana. The ICAG asserts in the directive that based on its analysis of the quantitative and qualitative indicators referred to in IAS 29, Ghana was not a hyperinflationary economy as of December 2023, therefore, IAS 29 will not be applicable for December 2023 financial reporting period. In compliance with the directive, the financial statements of the Group, including the comparative figures, have not been stated in terms of the measuring unit current at the end of the reporting period.

The financial statements have been prepared under the below basis:

- Historical cost convention, unless otherwise stated;
- Non-derivative financial instruments, carried at fair value through profit or loss, are measured at fair value;
- Fair value through other comprehensive income (FVOCI) financial assets are measured at fair value through equity;
- The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the fair value of the plan assets

### d. Use of Estimates and Judgement

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

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

### e. Functional and presentation currency

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

### f. Summary of Significant Accounting Policies

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

### i. Revenue

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

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

Revenue is recognised as follows:

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

### ii. Financial Assets and Financial Liabilities

### IFRS 9 Financial Instruments

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

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

### Classification of financial assets and financial liabilities

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

### Business Model Assessment

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

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

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

- Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows;

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

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

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

### Impairment of financial assets

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

### Transition

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

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

### Date of recognition

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

### Initial measurement of financial instruments

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

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

### Classification and Measurement categories of financial assets and liabilities

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

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

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

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

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

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

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

### Equity instruments at FVOCI

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

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

### Debt issued and other borrowed funds

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

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

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

### Derecognition of financial assets and liabilities

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

### Financial liabilities

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

## Overview of the expected credit loss (ECL) principles

The adoption of IFRS 9 has fundamentally changed the Group's trade receivable loss impairment method by replacing IAS 39's incurred loss approach with a forward-looking ECL approach.

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

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

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

### Stage 1, Stage 2, Stage 3

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

### The calculation of expect credit loss (ECLs)

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

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

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

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

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

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

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

### iii. Property, Plant and Equipment

Property, plant and equipment are recorded at historical cost less accumulated depreciation. 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.

Repairs and maintenance expenditures are charged against profit or loss. Major improvements and replacements which extend the useful life of the assets are capitalised.

Capital work in progress are not depreciated. Depreciation is calculated using the straight-line method, at the following annual rates on the estimated useful lives of the respective assets:

| | |
|---|---|
| Freehold Land and Buildings | 2% |
| Leasehold Land and Buildings | 2.5% |
| Plant, Machinery and Equipment | 5% - 20% |
| Furniture and Equipment | 10% |
| Motor Vehicles - Tanker and Trucks | 20% |
| Motor Vehicles - Others | 25% |
| Computers | 50% |

The total net carrying amounts of property, plant and equipment are reviewed regularly and, to the extent to which these amounts exceed their recoverable amounts, that excess is fully provided against in the financial year in which this is determined. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Nonfinancial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

Where the major components of an item of property, plant and equipment have significantly different patterns of consumption or economic benefits, the initial cost of the asset is allocated to those major components and each such component is depreciated separately over its useful life. It is considered that the current aggregation of property, plant and equipment properly reflects their pattern of consumption.

Spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment and will be used for more than one period.

### iv. Translation of Foreign Currencies

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

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

### v. Cash and Cash Equivalents

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

### vi. Leases

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

### The Company as a lessee

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

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

### Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

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

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

### The Company as a lessor

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

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

### vii. Provision

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

### viii. Deferred Taxation

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### ix. Current Taxation

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

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

### x. Dividends on Ordinary Shares

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

Interim dividends are recognised when paid.

### xi. Borrowings

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

### xii. Borrowing Cost

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

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

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

### xiii. Inventories

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

### xiv. Impairment of financial instruments

*Financial instruments and contract assets*

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

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

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

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

The Group assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

- the debtor is unlikely to pay its credit obligations to the Group in full due to bankruptcy
- there are adverse changes in the payment status of debtors

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

### Measurement of ECLs

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

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

*Credit-impaired financial assets*

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

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

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

*Presentation of allowance for ECL in the statement of financial position*

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

*Write-off*

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

*Non-financial assets*

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

## xv. Employee Benefits

- **Short-Term Benefits**

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

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

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

- **Social Security and National Insurance Trust (SSNIT)**

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

- **End of Service Benefit Scheme**

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

## xvi. Events after the Financial Position date

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

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

## xvii. Earnings per share

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

## xviii. New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2023, and have not been applied in preparing these financial statements. These are disclosed as follows:

- **Amendment to IFRS 16 – Leases on sale and leaseback**

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. Annual periods beginning on or after 1 January 2024.

- **Amendment to IAS 1 – Non current liabilities with covenants**

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Annual periods beginning on or after 1 January 2024.

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| 2.a | **DEPOT AND STATION EXPENSES;** | | | | |
| | Includes depreciation; -GH¢49,241,000 (2022 - GH¢47,586,000) | | | | |
| b. | **SELLING AND ADMINISTRATION EXPENSES;** | | | | |
| | Include the following:- | | | | |
| | Depreciation and amortisation | 14,780 | 16,413 | 11,332 | 13,132 |
| | Directors fees & expenses | 9,254 | 8,678 | 6,269 | 7,156 |
| | Auditor's remuneration | 726 | 395 | 300 | 250 |
| | Donation and corporate social responsibility | 21,090 | 13,608 | 16,146 | 10,457 |
| 3. | **SUNDRY INCOME** | | | | |
| | Exchange gain | 43,547 | 25,416 | 43,121 | 25,416 |
| | Contractors registration | 2 | 7 | 2 | 7 |
| | Miscellaneous income | 331 | 117 | 326 | 117 |
| | Commission | 151 | 155 | 151 | 155 |
| | Various rent | 7,275 | 5,996 | 7,275 | 5,996 |
| | Discount received | 1 | 0 | 1 | 0 |
| | Profit on sale of property, plant and equipment | 0 | 31 | 0 | 31 |
| | | 51,307 | 31,722 | 50,876 | 31,722 |
| 4. | **NET FINANCE INCOME/(EXPENSES)** | | | | |
| | Interest and dividend income | 6,216 | 9,633 | 2,837 | 4,701 |
| | Bank loan interest and other finance charges | (96,094) | (40,036) | (85,804) | (35,040) |
| | | (89,878) | (30,403) | (82,967) | (30,339) |
| 5. | **TAXATION** | | | | |
| | Current tax | 26,401 | 50,485 | 9,778 | 32,544 |
| | Net effect (relating to previous year GRA tax audit) | 0 | (3,665) | 0 | (5,349) |
| | | 26,401 | 46,820 | 9,778 | 27,195 |
| | Deferred tax charge | 1,801 | 2,597 | 807 | 3,077 |
| | | 28,202 | 49,417 | 10,585 | 30,272 |

## 6. RECONCILIATION OF EFFECTIVE TAX

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Profit before tax less rent income | 79,997 | 167,315 | 21,762 | 105,582 |
| | | | | |
| Tax at applicable tax rate at 25%( 2022 - 25%) | 19,999 | 41,829 | 5,441 | 26,396 |
| Tax effect of non-deductible expenses | 25,925 | 25,600 | 23,082 | 22,533 |
| Tax effect of non-chargeable income | 0 | (8) | 0 | (8) |
| Tax effect of capital allowances | (20,614) | (17,835) | (19,836) | (17,276) |
| Tax effect on rent income | 1,091 | 899 | 1,091 | 899 |
| Net effect (relating to previous year GRA tax audit) | 0 | (3,665) | 0 | (5,349) |
| Origination/(reversal) of temporary differences | 1,801 | 2,597 | 807 | 3,077 |
| | 28,202 | 49,417 | 10,585 | 30,272 |
| Effective tax rate (%) | 35.25 | 29.54 | 48.64 | 28.67 |

## 7a. CURRENT TAX

| | Balance at | Tax paid/ | Charge | Balance at |
|---|---|---|---|---|
| **GROUP** | 1 January | refund | to P&L | 31 Dec. |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Up to 2022 | (7,474) | 0 | 0 | (7,474) |
| 2023 | 0 | 35,456 | (26,401) | 9,055 |
| **Sub total** | (7,474) | 35,456 | (26,401) | 1,581 |
| **Growth and sustainability levy** | | | | |
| **2023** | 0 | 1,586 | (4,364) | (2,778) |
| Grand total | (7,474) | 37,042 | (30,765) | (1,197) |
| | | | | |
| **COMPANY** | | | | |
| Up to 2022 | (8,220) | 0 | 0 | (8,220) |
| 2023 | 0 | 20,662 | (9,778) | 10,884 |
| **Sub total** | (8,220) | 20,662 | (9,778) | 2,664 |
| **Growth and sustainability levy** | | | | |
| 2023 | 0 | 1,133 | (1,452) | (319) |
| **Grand total** | (8,220) | 21,795 | (11,230) | 2,345 |

Tax position up to 2022 year of assessment have been agreed with the tax authorities. The remaining liabilities are however subject to agreement with the tax authorities.

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

## 7b. DEFERRED TAXATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Balance as at 1 January | 19,866 | 17,269 | 19,822 | 16,745 |
| Charge for the year | 1,801 | 2,597 | 807 | 3,077 |
| Balance as at 31 December | 21,667 | 19,866 | 20,629 | 19,822 |

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2022 - 25%).

## 8a PROPERTY, PLANT AND EQUIPMENT

| GROUP | F'hold Land & Buildings GH¢'000 | L'sehold Land & Buildings GH¢'000 | Plant Mach. & Equip. GH¢'000 | Motor Vehicles GH¢'000 | Furn. & Equip. GH¢'000 | Computers & Access. GH¢'000 | Capital Work In Progress GH¢'000 | Total GH¢'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost / Valuation** | | | | | | | | |
| Balance as at 01.01.2023 | 1,195 | 370,632 | 344,303 | 64,071 | 15,483 | 9,899 | 950,860 | 1,756,443 |
| Additions during the year | 0 | 28,270 | 102,646 | 7,182 | 11,078 | 2,711 | 122,428 | 274,315 |
| Transfers during the year | 0 | 75,797 | 14,354 | 0 | 0 | 0 | (90,151) | 0 |
| Balance as at 31.12.2023 | 1,195 | 474,699 | 461,303 | 71,253 | 26,561 | 12,610 | 983,137 | 2,030,758 |
| | | | | | | | | |
| **Depreciation** | | | | | | | | |
| Balance as at 01.01.2023 | 269 | 49,197 | 222,186 | 43,259 | 9,861 | 9,111 | 0 | 333,883 |
| Charges during the year | 24 | 10,951 | 40,132 | 9,582 | 3,833 | 2,340 | 0 | 66,862 |
| Balance as at 31.12.2023 | 293 | 60,148 | 262,318 | 52,841 | 13,694 | 11,451 | 0 | 400,745 |
| | | | | | | | | |
| **Net Book Value** | | | | | | | | |
| **31 December 2023** | 902 | 414,551 | 198,985 | 18,412 | 12,867 | 1,159 | 983,137 | 1,630,013 |
| 31 December 2022 | 926 | 321,435 | 122,117 | 20,812 | 5,622 | 788 | 950,860 | 1,422,560 |

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

## 8b RECONCILIATION OF CARRYING AMOUNTS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **NBV at 1/1/2023** | 926 | 321,435 | 122,117 | 20,812 | 5,622 | 788 | 950,860 | 1,422,560 |
| Additions during the year | 0 | 28,270 | 102,646 | 7,182 | 11,078 | 2,711 | 122,428 | 274,315 |
| Transfers | 0 | 75,797 | 14,354 | 0 | 0 | 0 | (90,151) | 0 |
| Depreciation for the year | (24) | (10,951) | (40,132) | (9,582) | (3,833) | (2,340) | 0 | (66,862) |
| **NBV at 31/12/2023** | 902 | 414,551 | 198,985 | 18,412 | 12,867 | 1,159 | 983,137 | 1,630,013 |

## 8c PROPERTY, PLANT AND EQUIPMENT

| COMPANY | F'hold Land & Buildings GH¢'000 | L'sehold Land & Buildings GH¢'000 | Plant Mach. & Equip. GH¢'000 | Motor Vehicles GH¢'000 | Furn. & Equip. GH¢'000 | Computers & Access. GH¢'000 | Capital Work In Progress GH¢'000 | Total GH¢'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost / Valuation** | | | | | | | | |
| Balance as at 01.01.2023 | 1,195 | 341,458 | 341,105 | 50,984 | 12,411 | 7,957 | 950,860 | 1,705,970 |
| Additions during the year | 0 | 0 | 9,967 | 4,791 | 1,139 | 2,008 | 122,428 | 140,333 |
| Transfers during the year | 0 | 75,797 | 14,354 | 0 | 0 | 0 | (90,151) | 0 |
| Balance as at 31.12.2023 | 1,195 | 417,255 | 365,426 | 55,775 | 13,550 | 9,965 | 983,137 | 1,846,303 |
| **Depreciation** | | | | | | | | |
| Balance as at 01.01.2023 | 269 | 49,197 | 220,072 | 33,243 | 8,025 | 7,331 | 0 | 318,137 |
| Charges during the year | 24 | 10,900 | 33,671 | 7,842 | 1,609 | 1,850 | 0 | 55,896 |
| Balance as at 31.12.2023 | 293 | 60,097 | 253,743 | 41,085 | 9,634 | 9,181 | 0 | 374,033 |
| **Net Book Values** | | | | | | | | |
| **31 December 2023** | 902 | 357,158 | 111,683 | 14,690 | 3,916 | 784 | 983,137 | 1,472,270 |
| 31 December 2022 | 926 | 292,261 | 121,033 | 17,741 | 4,386 | 626 | 950,860 | 1,387,833 |

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

## 8d RECONCILIATION OF CARRYING AMOUNTS

| | F'hold Land & Buildings | L'sehold Land & Buildings | Plant Mach. & Equip. | Motor Vehicles | Furn. & Equip. | Computers & Access. | Capital Work In Progress | Total |
|---|---|---|---|---|---|---|---|---|
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| **NBV at 1/1/2023** | 926 | 292,261 | 121,033 | 17,741 | 4,386 | 626 | 950,860 | 1,387,833 |
| Additions during the year | 0 | 0 | 9,967 | 4,791 | 1,139 | 2,008 | 122,428 | 140,333 |
| Transfers | 0 | 75,797 | 14,354 | 0 | 0 | 0 | (90,151) | 0 |
| Depreciation for the year | (24) | (10,900) | (33,671) | (7,842) | (1,609) | (1,850) | 0 | (55,896) |
| **NBV at 31/12/2023** | 902 | 357,158 | 111,683 | 14,690 | 3,916 | 784 | 983,137 | 1,472,270 |

## 9a FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME INVESTMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Ghana Bunkering Services Ltd. | 222 | 222 | 222 | 222 |
| Investment in Subsidiaries (Note 9b) | 0 | 0 | 29,030 | 9,030 |
| TotalEnergies Ghana PLC | 9,365 | 4,162 | 9,365 | 4,162 |
| Tema Lube Oil Company Ltd. | 11 | 11 | 11 | 11 |
| Metro Mass Transit Company Limited | 414 | 414 | 414 | 414 |
| JUHI | 3,364 | 2,910 | 3,364 | 2,910 |
| | 13,376 | 7,719 | 42,406 | 16,749 |

## 9b INVESTMENT IN SUBSIDIARIES

| | | |
|---|---|---|
| Goenergy limited | 30 | 30 |
| GOIL upstream limited | 1,000 | 1,000 |
| GO-Financial Services limited | 8,000 | 8,000 |
| Gobitumen limited | 20,000 | 0 |
| | 29,030 | 9,030 |

This represent GOIL PLC wholly owned investment in four subsidiaries which are Goenergy Limited, GOIL upstream limited, GO Financial Services Limited and Gobitumen Limited. Goenergy Limited is permitted by its regulations to carry on, the business of bulk importers, storage, suppliers and bulk distributors and buyers and sellers of petroleum products, GOIL upstream limited is permitted by its regulations to carry on, the business, to sell marine gas-oil and lubricants to West African and other Offshore markets, to build own and operate bulk fuel tank storage, farms and other facilities, to provide consultancy and other support services to West African's markets and to engage in exploration, development and production activities in the upstream, petroleum sector and any other ancillary activities, Go Financial Services Limited is permitted by its regulations to carry on, the business of electronic payment and money transfer business and other business ancillary to information technology whiles Gobitumen Limited is permitted by its regulations to carry on, the business of the production, sales and marketing of bitumen products and any other ancillary services.

GOIL PLC did not consolidate its financial statements with that of GOIL Upstream Limited and GO Financial Services Limited. The net effect of the non-consolidation of both companies are immaterial. GO Financial Services Limited has not been able to secure the financial operating license from the Bank of Ghana and the Company has been dormant since incorporation.

## 9c FINANCIAL ASSETS AT AMORTISED COST

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Fixed Deposit | 13,318 | 13,290 | 13,318 | 13,290 |

## 10. INVENTORIES

| | | | | |
|---|---|---|---|---|
| Trading : Fuel | 547,055 | 814,360 | 103,548 | 103,463 |
| Lubricants | 53,505 | 55,250 | 53,505 | 55,250 |
| L.P. Gas | 15,955 | 1,207 | 1,162 | 1,207 |
| Bitumen | 40,223 | 0 | 0 | 0 |
| | 656,738 | 870,817 | 158,215 | 159,920 |
| Non Trading : Materials | 27,628 | 19,828 | 27,628 | 19,828 |
| | 684,366 | 890,645 | 185,843 | 179,748 |

## 11. TRADE AND OTHER RECEIVABLES

| | | | | |
|---|---|---|---|---|
| Trade Receivable | 1,261,080 | 1,669,678 | 1,231,071 | 1,660,442 |
| Other Receivable | 200,244 | 206,726 | 243,661 | 161,886 |
| Staff Receivable | 661 | 205 | 661 | 205 |
| Prepayments | 15,818 | 17,711 | 15,697 | 17,525 |
| | 1,477,803 | 1,894,320 | 1,491,090 | 1,840,058 |
| Less: Impairment Loss on Financial Instruments | (37,209) | (29,418) | (26,553) | (20,635) |
| | 1,440,594 | 1,864,902 | 1,464,537 | 1,819,423 |

The maximum amount owed by the staff in thousands of Ghana Cedis did not at one particular time exceed : **2023 GH¢661.00 (2022: GH¢205)**

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| **12 INTANGIBLE ASSETS** | | | | |
| Cost | 9,633 | 8,921 | 8,742 | 8,742 |
| Addition during the year | 580 | 712 | 0 | 0 |
| | 10,213 | 9,633 | 8,742 | 8,742 |
| **Amortisation** | | | | |
| Balance as at 1 January | 8,719 | 8,583 | 8,719 | 8,583 |
| Amortisation for the year | 282 | 136 | 23 | 136 |
| **Balance as at 31 December** | 9,001 | 8,719 | 8,742 | 8,719 |
| **Carrying amount as at 31 December** | 1,212 | 914 | 0 | 23 |
| This relates to the cost of rebranding and computer software. | | | | |
| 13. CASH AND BANK BALANCES | | | | |
| Current Account | 210,669 | 401,660 | 71,169 | 186,704 |
| Cash on hand | 4 | 0 | 0 | 0 |
| | 210,673 | 401,660 | 71,169 | 186,704 |

## 14. BANK OVERDRAFT

| | Group 2023 GH¢'000 | Group 2022 GH¢'000 | Company 2023 GH¢'000 | Company 2022 GH¢'000 |
|---|---|---|---|---|
| First Atlantic Bank Limited | **57,787** | 1,752 | **57,787** | 1,752 |
| Ecobank Ghana PLC | **51,458** | 37,777 | **51,458** | 37,777 |
| GCB Bank PLC | **72,349** | 0 | **72,349** | 0 |
| Prudential Bank Ghana Limited | **50,613** | 40,064 | **50,613** | 40,064 |
| Societe Generale Ghana PLC | **71,239** | 35,753 | **71,239** | 35,753 |
| Access Bank (Ghana) Limited | **20,201** | 11,672 | **20,201** | 11,672 |
| Absa Bank Limited | **8,580** | 0 | **8,580** | 0 |
| UBA Bank Limited | **11,251** | 0 | **11,251** | 0 |
| ADB Bank Limited | **4,043** | 0 | **4,043** | 0 |
| Others | **2,843** | 22 | **2,843** | 22 |
| | **350,364** | 127,040 | **350,364** | 127,040 |

### First Atlantic Bank Limited

The company has an overdraft facility of GH¢50,000,000 with First Atlantic Bank Limited at an interest rate of 31.48% and the facility expires on 31 August, 2024.

### Ecobank Ghana Limited

The company has an overdraft facility of GH¢50,000,000 with Ecobank Ghana Limited at an interest rate of 33.25% and the facility expires on 30 November, 2024.

### GCB Bank PLC

The company has an overdraft facility of GH¢60,000,000 with GCB Bank Limited at an interest rate of 31.13% and the facility expires on 31 August, 2024.

### Prudential Bank Ghana Limited

The company has an overdraft facility of GH¢60,000,000 with Prudential Bank Ghana Limited at an interest rate of 34.09% and the facility expires on 31 October, 2024.

### Societe Generale Ghana PLC

The company has an overdraft facility of GH¢90,000,000 with Societe Generale Ghana Limited and it is at the floating interest rate of Ghana Reference Rate (GRR) plus margin of 1.99% over the tenor of the facility and the facility expires on 30 November, 2024.

### ADB Bank Limited

The company has an overdraft facility of GH¢75,000,000 with ADB Bank Limited at an interest rate of 32.84% and the facility expires on 31 August, 2024.

## 15. TRADE AND OTHER PAYABLES

| | Group 2023 GH¢'000 | Group 2022 GH¢'000 | Company 2023 GH¢'000 | Company 2022 GH¢'000 |
|---|---|---|---|---|
| Trade Payable | **2,500,821** | 3,263,017 | **1,915,785** | 2,497,381 |
| Other Payable | **220,966** | 248,668 | **337,790** | 248,668 |
| Accruals | **3,276** | 3,242 | **1,486** | 1,977 |
| | **2,725,063** | 3,514,927 | **2,255,061** | 2,748,026 |

## 16a TERM LOAN

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|
| Balance as at 1 January | **147,699** | 192,682 | **147,699** | 192,682 |
| Addition during the year | **0** | 30,729 | **0** | 30,729 |
| Loan repayment | **(73,698)** | (75,712) | **(73,698)** | (75,712) |
| Balance as at 31 December | **74,001** | 147,699 | **74,001** | 147,699 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| 16b | LONG TERM PORTION | | | | |
| | Term Loan | 62,223 | 86,291 | 62,223 | 86,291 |
| 16c | SHORT TERM PORTION | | | | |
| | Term Loan | 11,778 | 61,408 | 11,778 | 61,408 |

### United Bank for Africa Ghana Limited

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

In addition the company has an overdraft facility of GH¢10,000,000 with United Bank for Africa Limited (UBA) at an interest rate of 27.58% and the facility expires on 31 May, 2024.

### ADB Bank Limited

The bank granted a medium term loan facility of GH¢75,000,000 to the company. The facility is due to expire in January, 2025 and interest rate is 18.0% per annum. The facility is to acquire and renovate fuel stations from competitors.

### GCB Bank PLC

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

### Access Bank Ghana Limited

The company has an overdraft facility of GH¢22,000,000 with Access Bank (Ghana) Limited at an interest rate of 32.84% and the facility expires on 31 October, 2024.

## 17. STATED CAPITAL

| | Group | |
|---|---|---|
| | 2023 | 2022 |
| Number of authorised shares | 1,000,000,000 | 1,000,000,000 |
| Total number of issued shares | 391,863,128 | 391,863,128 |
| | GH¢'000 | GH¢'000 |
| Issued for Cash | 155,000 | 155,000 |
| issued for consideration other than cash | 10,339 | 10,339 |
| Transfer from retained earnings | 20,250 | 20,250 |
| | 185,589 | 185,589 |

There is no unpaid liability on any share and there are no shares in treasury.

## 18. BUILDING FUND

| | 2023 | 2022 |
|---|---|---|
| Balance as at 1 January | 40,946 | 34,751 |
| Transfer from retained earnings | 2,735 | 6,195 |
| Balance as at 31 December | 43,681 | 40,946 |

This is an amount set aside from profits for the construction of Head Office Building.

## 19. RETAINED EARNINGS

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

## 20. CAPITAL SURPLUS

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

| | Equity investment reserves | Revaluation surplus | 2023 | 2022 |
|---|---|---|---|---|
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Balance as at 1 January | 3,965 | 3,907 | 7,872 | 8,933 |
| Revaluation | 5,203 | 0 | 5,203 | (1,061) |
| Balance as at 31 December | 9,168 | 3,907 | 13,075 | 7,872 |

## 21. DIVIDEND

| | 2023 | 2022 |
|---|---|---|
| Final dividend for year 2022 was GH¢0.056 per Share (2021; GH¢0.047 | 21,944 | 18,418 |
| per Share) Payments during the year | (21,944) | (18,418) |
| | 0 | 0 |

A final dividend of GH¢0.056 per share amounting to GH¢21,944,335.00 has been proposed for the year ended 31 December 2023. (2022: GH¢0.056 per share, amounting to GH¢21,944,335)

## 22. RIGHT-OF-USE-ASSET

Set out below is the carrying amount of right-of-use assets recognised during the period;

| | 2023 | 2022 |
|---|---|---|
| **Cost/valuation** | | |
| Balance as at 1 January | 12,550 | 6,913 |
| Additions | 3,431 | 5,637 |
| **Balance as at 31 December** | 15,981 | 12,550 |
| | | |
| **Depreciation** | | |
| Balance as at 1 January | 4,696 | 3,605 |
| Depreciation charge for the year | 2,295 | 1,091 |
| **Balance as at 31 December** | 6,991 | 4,696 |
| **Carrying amount** | | |
| **As at 31 December** | 8,990 | 7,854 |

## 23. LEASE LIABILITY

Set out below are the carrying amounts of lease liability during the period;-

| | 2023 | 2022 |
|---|---|---|
| Balance as at 1 January | 3,714 | 3,327 |
| Addition during the year | 2,177 | 28 |
| Interest | 654 | 359 |
| Payments during the year | (3,084) | 0 |
| **Balance as at 31 December** | 3,461 | 3,714 |

## 24. FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

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

### Risk management framework

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

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

### Credit risk

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

*Trade and other receivables*

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

*Allowances for impairment*

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

*Exposure to credit risks*

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

## 24. FINANCIAL RISK MANAGEMENT (CON'D)

*Exposure to credit risks (cont'd)*

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | NOTE | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Fair value through other comprehensive income investments | 9a | 13,376 | 7,719 | 42,406 | 16,749 |
| Loans and receivables | 11 | 1,440,594 | 1,864,902 | 1,464,537 | 1,819,423 |
| Cash and cash equivalents | 13 | 210,673 | 401,660 | 71,169 | 186,704 |
| | | 1,664,643 | 2,274,281 | 1,578,112 | 2,022,876 |
| The maximum exposure to credit risk for trade receivables at the reporting date by type of | | | | | |
| customer was; | | | | | |
| **Public institutions** | | 1,261,080 | 1,669,678 | 1,231,071 | 1,660,442 |

| **Impairment losses (Group)** | 2023 | | 2022 | |
|---|---|---|---|---|
| | Gross | Impairment | Gross | Impairment |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Past due after 0 - 180 days | 1,261,080 | 37,209 | 1,669,678 | 29,418 |

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

| | 2023 | 2022 |
|---|---|---|
| | GH¢'000 | GH¢'000 |
| Trade receivables | 1,261,080 | 1,669,678 |
| Impairment loss recognised | (37,209) | (29,418) |
| **Balance as at 31 December** | 1,223,871 | 1,640,260 |

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

*Liquidity risk*

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

**The following are contractual maturities of financial liabilities;**

| **31 December 2023** | | | | |
|---|---|---|---|---|
| **Non-derivative financial liability** | Amount | 6 mths or less | 6-12 mths | 1-3 years |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Secured bank loans | 74,001 | 5,889 | 5,889 | 62,223 |
| Trade and other payables | 2,725,063 | 2,725,063 | 0 | 0 |
| Bank overdraft | 350,364 | 350,364 | 0 | 0 |
| **Balance as at 31 December 2023** | 3,149,428 | 3,081,316 | 5,889 | 62,223 |
| | | | | |
| **31 December 2022** | | | | |
| Secured bank loans | 147,699 | 30,704 | 30,704 | 86,291 |
| Trade and other payables | 3,514,927 | 3,514,927 | 0 | 0 |
| Bank overdraft | 127,040 | 127,040 | 0 | 0 |
| **Balance as at 31 December 2022** | 3,789,666 | 3,672,671 | 30,704 | 86,291 |

## 24. FINANCIAL RISK MANAGEMENT (CON'D)

### Market risks

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

### Foreign currency risk

Foreign currency risk refers to the value of a financial commitment or recognised asset or liability that will fluctuate due to changes in foreign currency rates. The company is exposed to foreign currency risk as a result of future transactions, foreign borrowings and investments in foreign companies, denominated in other foreign currencies.

The company does not hedge foreign exchange fluctuations. Foreign exchange exposures are reviewed and controlled by management on a regular and frequent basis. The table below shows the impact of a 10% increase and a 10% decrease in the foreign exchange rate on cash and bank balances and account payable.

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Increase GH¢'000 | Decrease GH¢'000 | Increase GH¢'000 | Decrease GH¢'000 |
| Bank balances | 13,268 | (13,268) | 32,175 | (32,175) |
| Account payable | 221,230 | (221,230) | 266,366 | (266,366) |
| | 234,498 | (234,498) | 298,541 | (298,541) |

**Interest rate risk**

***Profile***

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

| | Carrying amount | |
|---|---|---|
| | 2023 | 2022 |
| ***Variable rate instrument*** | GH¢'000 | GH¢'000 |
| Financial liabilities | 424,365 | 274,739 |

### *Fair value sensitivity analysis for fixed rate instrument*

The company did not have fixed rate instrument at the Balance Sheet date 31 December 2023 (31 December 2022 - Nil).

### *Fair values versus carrying amounts*

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

| | 31 December 2023 | | 31 December 2022 | |
|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| ***Loans and Receivables*** | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Trade and other receivables | 1,440,594 | 1,440,594 | 1,864,902 | 1,864,902 |
| Cash and cash equivalents | 210,673 | 210,673 | 401,660 | 401,660 |
| Financial assets at amortised cost | 13,318 | 13,318 | 13,290 | 13,290 |
| | 1,664,585 | 1,664,585 | 2,279,852 | 2,279,852 |
| ***Available for sale financial*** | | | | |
| ***Instrument*** | | | | |
| Long term investment | 13,376 | 13,376 | 7,719 | 7,719 |
| ***Other financial liabilities*** | | | | |
| Secured bank loan | 74,001 | 74,001 | 147,699 | 147,699 |
| Trade and other payables | 2,725,063 | 2,725,063 | 3,514,927 | 3,514,927 |
| Bank overdraft | 350,364 | 350,364 | 127,040 | 127,040 |
| | 3,149,428 | 3,149,428 | 3,789,666 | 3,789,666 |

## 26. EMPLOYEE BENEFITS

### Deferred Contribution Plans

*Social Security*

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

### Provident Fund

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

## 27. RELATED PARTY TRANSACTIONS

| | 2023<br>GH¢'000 | 2022<br>GH¢'000 |
|---|---|---|
| **Payables to related party** | 1,731,720 | 1,898,029 |
| This amount represents balances outstanding from the purchase of petroleum products from and other non-trading transactions with Goenergy Limited which is wholly owned by GOIL PLC. | | |
| **Receivables due from related party** | 129,569 | 0 |
| This represents cumulative payments for the setting up of Gobitumen Limited which is wholly owned subsidiary of GOIL PLC. The company is into the business of production, sales and marketing of bitumen products and any other ancillary services. | | |
| The amounts owed to the subsidiary is unsecured, interest free, and have no fixed term of repayment. The balance will be settled in cash. No guarantees have been given or received. | | |
| **Remuneration of executive director and other key management personnel** | | |
| Salaries and other short term benefits | 14,239 | 13,048 |
| Employer social security charges on emoluments | 1,695 | 1,364 |
| Provident fund | 1,260 | 952 |
| | 17,194 | 15,364 |

## 28. NUMBER OF ORDINARY SHARES IN ISSUE

Earning, Dividend per share are based on 391,863,128, (2022 - 391,863,128).

## 29. BASIC EARNINGS PER SHARE (GROUP)

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

| | 2023 | 2022 |
|---|---|---|
| Profit attributable to equity holders | 54,706 | 123,894 |
| Number of ordinary shares ('000) | 391,863 | 391,863 |
| Basic earnings per share (Ghana cedis per share) | 0.140 | 0.316 |

## 30. CONTINGENT LIABILITIES

Claims that could arise from pending suits against the company at the year-end amounted to GH¢84,810,000.00 and US$2,000,000.00 (2022; GH¢87,363,837.00 and US$2,000,000.00)

Claims that could arise from pending suits in favour of the company at the year-end amounted to USD$571,345.00 (2022; USD$571,345.00)

## 31. OFF- BALANCE - CAPITAL COMMITMENTS

GOIL PLC contracted Messers Lifeforms Limited for the construction of the proposed 12 story Head Office Complex at Roman Ridge, Accra, Ghana. The Contact sum initialed valued included taxes and levies at USD$27,384,636.86 with a variations of USD$7,579,293.52 making total new Contract price of USD$34,949,599.78

The Contract is a contingent in nature and will crystalise when the contract has been fully executed and transfer to the beneficially, GOIL PLC.

## 32. TWENTY LARGEST SHAREHOLDERS

| Shareholders | | Number of Shares | Percentage Holding (%) |
|---|---|---|---|
| 1 | GOVERNMENT OF GHANA | 134,123,596 | 34.23 |
| 2 | SOCIAL SECURITY & NATIONAL INSURANCE TRUST | 97,965,798 | 25.00 |
| 3 | BULK OIL STORAGE AND TRANSPORT | 78,372,626 | 20.00 |
| 4 | KINGSLEY-NYINAH, PATRICK | 11,983,056 | 3.06 |
| 5 | SCGN/ENTERPRISE LIFE ASSO. CO. POLICY HOLDERS | 4,036,947 | 1.03 |
| 6 | ENTERPRISE TIER 2 OCCUPATIONAL PENSION SCHEME | 3,256,188 | 0.83 |
| 7 | HOPEFIELD CAPITAL LIMITED | 2,384,141 | 0.61 |
| 8 | SCGN/EPACK INVESTMENT FUND LIMITED TRANSACTION | 2,222,500 | 0.57 |
| 9 | HFCN/EDC GHANA BALANCED FUND LIMITED | 1,059,460 | 0.27 |
| 10 | EGH/ENTERPRISE UNDERWRITERS TIER 3 PORT 1 | 901,920 | 0.23 |
| 11 | SCGN/GHANA MEDICAL ASSOCIATION FUND | 880,902 | 0.22 |
| 12 | MR. VICTOR KODJO V. K. DJANGMAH | 861,152 | 0.22 |
| 13 | SCBN/DATABANK BALANCE FUND LIMITED | 705,086 | 0.18 |
| 14 | ZBGC/CEDAR PENSION SCHEME-ICAM | 627,288 | 0.16 |
| 15 | STD NOMS TVL PTY/METLIFE GOLD PLAN FUND MICAC | 590,732 | 0.15 |
| 16 | AKORLI PATRICK AKPE KWAME | 510,218 | 0.13 |
| 17 | HFCN/GLICO PENSIONS | 501,885 | 0.13 |
| 18 | HFCN/COCOBOD TIER 2 PENSION SCHEME | 500,000 | 0.13 |
| 19 | VRA STAFF OCCUPATIONAL PENSION SCHEME-SIMS | 500,000 | 0.13 |
| 20 | GOIL ESOP | 478,802 | 0.12 |
| **TOTAL OF TWENTY LARGEST SHAREHOLDERS** | | **342,462,297** | **87.39** |
| **TOTAL OF OTHERS** | | **49,400,831** | **12.61** |
| **GRAND TOTAL** | | **391,863,128** | **100.00** |

## 33. SHAREHOLDING DISTRIBUTION

| Category | Numbers of Shareholding | Total Holding | Percentage Holding (%) |
|---|---|---|---|
| 1 - 1,000 | 9,321 | 4,149,077 | 1.06 |
| 1,001 - 5,000 | 5,008 | 9,987,169 | 2.55 |
| 5,001 - 10,000 | 826 | 5,543,549 | 1.41 |
| Over 10,000 | 753 | 372,183,333 | 94.98 |
| | | **391,863,128** | **100.00** |

## 34. REGISTER CATEGORY

| Category | Numbers of Shareholders | Number of Shares | Percentage Holding (%) |
|---|---|---|---|
| Non-Depository | 9,100 | 15,460,619 | 3.95 |
| Depository (CSD) | 6,808 | 376,402,509 | 96.05 |
| | 15,908 | 391,863,128 | 100.00 |

## 35. DIRECTORS SHAREHOLDING

| NAME | NUMBER OF SHARES | % OF ISSUED SHARES |
|---|---|---|
| Mr. Reginald Daniel Laryea | 29,737 | 0.00759 |
| Mr. Kwame Osei-Prempeh (Hon.) | 107,053 | 0.02730 |
| Mr. Stephen Abu Tengan | 5,534 | 0.00140 |
| Mr. Thomas Kofi Manu | 30,000 | 0.00770 |
| Mr. Edwin Alfred Provencal | 100,077 | 0.02550 |
| | 272,401 | 0.06949 |

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