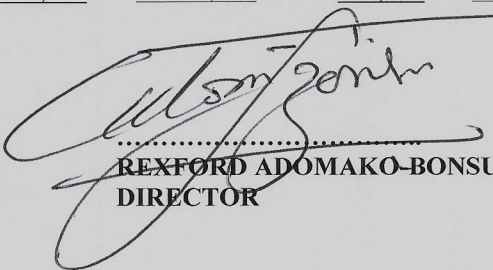


TOTAL PETROLEUM GHANA LIMITED
AUDITED CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Assets				
Property, plant and equipment	360,687	314,724	283,068	255,878
Right-of-use-assets	73,096	-	73,096	-
Intangible assets and goodwill	13,114	13,021	13,036	12,966
Investment in associates	3,451	3,475	12	12
Leasehold prepayments	-	5,579	-	5,579
Long term leases	-	52,775	-	52,775
Long term prepayments	1,725	-	1,725	-
Investment in subsidiary	-	-	3,274	4,774
Related party loan	-	-	1,573	-
Total non-current assets	<u>452,073</u>	<u>389,574</u>	<u>375,784</u>	<u>331,984</u>
Inventories	73,233	79,720	72,754	79,368
Current tax assets	15,777	15,128	15,777	15,128
Trade and other receivables	288,749	297,802	287,657	296,639
Amounts due from related companies	1,686	7,606	9,683	13,446
Cash and cash equivalents	47,581	55,095	47,186	54,765
	<u>427,026</u>	<u>455,351</u>	<u>433,057</u>	<u>459,346</u>
Assets held for sale	528	528	528	528
Total current assets	<u>427,554</u>	<u>455,879</u>	<u>433,585</u>	<u>459,874</u>
Total assets	<u>879,627</u>	<u>845,453</u>	<u>809,369</u>	<u>791,858</u>
Equity				
Stated capital	51,222	51,222	51,222	51,222
Retained earnings	198,636	145,295	207,755	154,772
Foreign currency translation reserve	5,375	-	-	-
Non-controlling interest	(3,200)	(6,682)	-	-
Total equity	<u>252,033</u>	<u>189,835</u>	<u>258,977</u>	<u>205,994</u>
Liabilities				
Lease liabilities	5,571	-	5,571	-
Bank overdraft	67,348	75,585	67,348	75,585
Loans and borrowings	11,940	19,203	5,188	5,357
Trade and other payables	402,211	413,434	399,688	410,795
Amount due to related companies	64,881	85,901	57,012	80,508
Total current liabilities	<u>551,951</u>	<u>594,123</u>	<u>534,807</u>	<u>572,245</u>
Lease liabilities	7,524	-	7,524	-
Loans and borrowings	61,308	54,126	1,250	6,250
Deferred tax liabilities	719	2,056	719	2,056
Provisions	6,092	5,313	6,092	5,313
Total non-current liabilities	<u>75,643</u>	<u>61,495</u>	<u>15,585</u>	<u>13,619</u>
Total liabilities	<u>627,594</u>	<u>655,618</u>	<u>550,392</u>	<u>585,864</u>
Total liabilities and equity	<u>879,627</u>	<u>845,453</u>	<u>809,369</u>	<u>791,858</u>

.....
ERIC FANCHINI
DIRECTOR

.....

REXFORD ADOMAKO-BONSU
DIRECTOR

**CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Revenue	2,628,610	2,381,106	2,618,817	2,370,975
Cost of sales	<u>(2,346,176)</u>	<u>(2,156,637)</u>	<u>(2,341,699)</u>	<u>(2,151,974)</u>
Gross profit	282,434	224,469	277,118	219,001
Other income	20,524	20,283	20,012	20,279
Impairment loss on trade receivables	(2,444)	(6,058)	(2,444)	(6,058)
General, administrative and selling expense	<u>(186,778)</u>	<u>(158,182)</u>	<u>(185,284)</u>	<u>(150,370)</u>
Operating profit before financing costs/ income	113,736	80,512	109,402	82,852
Finance income	449	651	449	651
Finance costs	(20,566)	(20,243)	(15,699)	(15,535)
Share of loss from associate, net of tax	<u>(24)</u>	<u>(51)</u>	-	-
Profit before taxation	93,595	60,869	94,152	67,968
Income tax expense	<u>(24,813)</u>	<u>(17,604)</u>	<u>(24,813)</u>	<u>(17,604)</u>
Profit for the year	<u>68,782</u>	<u>43,265</u>	<u>69,339</u>	<u>50,364</u>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	9,772	-	-	-
Income tax on other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the year	<u>9,772</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>78,554</u>	<u>43,265</u>	<u>69,339</u>	<u>50,364</u>
Profit attributable to:				
Owners of the company	69,697	47,112	-	-
Non-controlling interest	(915)	(3,847)	-	-
Total comprehensive income attributed to:				
Owners of the company	75,072	47,112	-	-
Non-controlling interest	3,482	(3,847)	-	-
Earnings per share				
Basic earnings per share (Ghana cedi per share)	0.6230	0.4211	0.6198	0.4502
Diluted earnings per share (Ghana cedi per share)	0.6230	0.4211	0.6198	0.4502

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

Group	Stated Capital GH¢'000	Retained Earnings GH¢'000	Foreign Currency Translation Reserve GH¢'000	Non- Controlling Interest GH¢'000	Total Equity GH¢'000
Balance at 1 January 2019	51,222	145,295	-	(6,682)	189,835
Total comprehensive income for the year					
Profit for the year	-	69,697	-	(915)	68,782
Exchange differences on translation of foreign operations	-	-	5,375	4,397	9,772
Total comprehensive income for the year	-	69,697	5,375	3,482	78,554
Transaction with equity holders					
Dividends	-	(16,356)	-	-	(16,356)
Total transactions with equity holders	-	(16,356)	-	-	(16,356)
Balance at 31 December 2019	<u>51,222</u>	<u>198,636</u>	<u>5,375</u>	<u>(3,200)</u>	<u>252,033</u>
Balance at 1 January 2018	51,222	113,085	-	(2,835)	161,472
Total comprehensive income for the year					
Profit for the year	-	47,112	-	(3,847)	43,265
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	47,112	-	(3,847)	43,265
Transaction with equity holders					
Dividends	-	(14,902)	-	-	(14,902)
Total transactions with equity holders	-	(14,902)	-	-	(14,902)
Balance at 31 December 2018	<u>51,222</u>	<u>145,295</u>	<u>-</u>	<u>(6,682)</u>	<u>189,835</u>
Company	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000		
Balance at 1 January 2019	51,222	154,772	205,994		
Total comprehensive income for the year					
Profit for the year	-	69,339	69,339		
Total comprehensive income for the year	-	69,339	69,339		
Transaction with equity holders					
Dividends	-	(16,356)	(16,356)		
Total transactions with equity holders	-	(16,356)	(16,356)		
Balance at 31 December 2019	<u>51,222</u>	<u>207,755</u>	<u>258,977</u>		
Balance at 1 January 2018	51,222	119,310	170,532		
Total comprehensive income for the year					
Profit for the year	-	50,364	50,364		
Total comprehensive income for the year	-	50,364	50,364		
Transaction with equity holders					
Dividends	-	(14,902)	(14,902)		
Total transactions with equity holders	-	(14,902)	(14,902)		
Balance at 31 December 2018	<u>51,222</u>	<u>154,772</u>	<u>205,994</u>		

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Group 2019 GH¢'000	Group 2018 GH¢'000	Company 2019 GH¢'000	Company 2018 GH¢'000
Cash flows from operating activities				
Profit after taxation	68,782	43,265	69,339	50,364
Adjustments for:				
Foreign exchange (gains)/loss	(2,956)	5,536	(1,102)	228
Depreciation of property, plant and equipment	39,089	33,944	33,673	28,632
Depreciation of right-of-use-assets	10,121	-	10,121	-
Amortisation of leasehold prepayment	249	328	249	328
Amortisation of intangible assets	256	199	238	172
Amortisation of long term lease	176	1,313	176	1,313
Impairment loss on trade receivables	2,444	6,058	2,444	6,058
Inventory provision	4,202	1,553	4,202	1,553
Interest income	(449)	(651)	(449)	(651)
Net provision expense	779	-	779	-
Interest expense	20,566	20,243	15,699	15,535
Tax expense	24,813	17,604	24,813	17,604
Profit on disposal of plant and equipment	(793)	(139)	(793)	(139)
Write off of property, plant and equipment	-	789	-	789
Impairment of investment in subsidiary	-	-	1,500	1,500
Share of loss from associate	24	51	-	-
	<u>167,303</u>	<u>130,093</u>	<u>160,889</u>	<u>123,286</u>
Change in inventories	2,412	1,105	2,412	1,105
Change in trade and other receivables	1,367	(79,868)	1,154	(80,795)
Change in trade and other payables	(13,781)	83,179	(11,377)	83,902
Change in related companies	<u>(12,960)</u>	<u>3,541</u>	<u>(19,693)</u>	<u>1,763</u>
Cash generated from operations	<u>144,341</u>	<u>138,050</u>	<u>133,385</u>	<u>129,261</u>
Interest received	449	651	449	651
Interest paid	(19,054)	(19,746)	(14,050)	(15,178)
Income taxes paid	<u>(26,799)</u>	<u>(17,404)</u>	<u>(26,799)</u>	<u>(17,404)</u>
Net cash flow from operating activities	<u>98,937</u>	<u>101,551</u>	<u>92,985</u>	<u>97,330</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(61,491)	(45,115)	(60,575)	(45,012)
Purchase of software	(308)	(22)	(308)	(22)
Proceeds from sale of plant and equipment	1,601	889	1,601	889
Payment for leasehold premium	-	(4,455)	-	(4,455)
Related party loan	-	-	(1,441)	-
Principal elements of lease payments	-	(15,416)	-	(15,416)
Long term prepayments	<u>(354)</u>	<u>-</u>	<u>(354)</u>	<u>-</u>
Net cash flow used in investing activities	<u>(60,552)</u>	<u>(64,119)</u>	<u>(61,077)</u>	<u>(64,016)</u>
Cash flows used in financing activities				
Dividend paid	(16,356)	(14,902)	(16,356)	(14,902)
Proceeds from loans	-	15,000	-	15,000
Payments for loans	(10,762)	(8,963)	(5,000)	(3,750)
Principal elements for lease payments	<u>(10,715)</u>	<u>-</u>	<u>(10,715)</u>	<u>-</u>
Net cash flow used in financing activities	<u>(37,833)</u>	<u>(8,865)</u>	<u>(32,071)</u>	<u>(3,652)</u>
Net increase/(decrease) in cash and cash equivalents	<u>552</u>	<u>28,567</u>	<u>(163)</u>	<u>29,662</u>
Analysis of changes in cash and cash equivalents during the year				
Balance at 1 January	(20,490)	(49,239)	(20,820)	(50,587)
Net increase/(decrease) in cash and cash equivalents	552	28,567	(163)	29,662
Effect of foreign exchange fluctuation on cash held	171	182	821	105
Cash and cash equivalents at 31 December	<u>(19,767)</u>	<u>(20,490)</u>	<u>(20,162)</u>	<u>(20,820)</u>

NOTES TO THE CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. Reporting entity

Total Petroleum Ghana Limited (“the Company”) is a company registered and domiciled in Ghana. The address of the Company’s registered office is Total House, 25 Liberia Road, Accra. The company is authorised to carry on the business of marketing petroleum and allied products. The financial statements of the Company as at and for the year ended 31 December 2019 comprise the separate financial statements and the consolidated financial statements of the Company and its subsidiary, (together referred to as the ‘Group’ and individually as ‘Group entities’).

2. Basis of accounting

a. Statement of compliance

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

The Company was in compliance with the requirements of the Companies Act, 1973 (Act 179) until it was replaced with a new Companies Act, 2019 (Act 992) on 2 August 2019.

This is the first set of the Group and Company’s annual financial statements in which IFRS 16 Leases has been applied.

b. Basis of measurement

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

c. Functional and presentation currency

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

d. Use of estimates and judgement

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

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

The complete audited consolidated and separate financial statements of Total Petroleum Ghana Limited can be obtained at the Company's registered office at Total House, 25 Liberia Road, Accra.



INDEPENDENT AUDITOR'S REPORT

To the Members of Total Petroleum Ghana Limited

Opinion

The condensed consolidated and separate financial statements, which comprise the statements of financial position at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Total Petroleum Ghana Limited for the year ended 31 December 2019.

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

Condensed Consolidated and Separate Financial Statements

The condensed consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) applied in the preparation of the audited consolidated and separate financial statements of Total Petroleum Ghana Limited. Reading the condensed consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 29 April 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements for the current period.

Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

KPMG

For and on behalf of:
KPMG: (ICAG/F/2020/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELNKPE
P O BOX GP 242
ACCRA

29 April2020

KPMG, a partnership established under Ghanaian law, is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

A.K. Sarpong
D.S. Adoteye
K. Frempong-Kore
E. Addico

E.O. Asiedu
A.O. Akoto
F. Dennis
L. Amidu

N.D. Harlley
N.A. Ayywor
J. Coleman
K.S. Barnieh