



BOST

BOST

BULK OIL STORAGE & TRANSPORTATION CO. LTD

**20
21** **ANNUAL
REPORT**

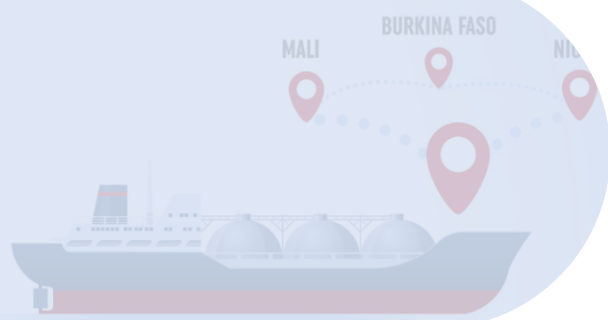
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**20
21** **ANNUAL
REPORT**

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COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2021



BOARD OF DIRECTORS:

Mr. Ekow Hackman	-	Chairman
Mr. Edwin Provencal	-	Managing Director
Mrs. Joyce Agyeman Attafuah	-	Member
Mrs. Francisca Addison	-	Member
Mr. Bright Okyere-Adjekum	-	Member
Prof. Kofi Osei Akuoko	-	Member
Oheneba Owusu Afriyie IV	-	Member
Mr. Emmanuel Tandoh	-	Member
Hon. Dr. Nana Ayew Afriye	-	Member

COMPANY SECRETARY:

William Kofi Owusu Demitia

AUDITOR:

Ghana Audit Service
MB Box 96
Ministries

BANKERS:

Absa Bank Ghana Limited
Ecobank Ghana Limited
Fidelity Bank Ghana Limited
GCB Bank Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana Limited
Universal Merchant Bank Ghana Limited
United Bank of Africa

REGISTERED OFFICE:

Plot No. 12
1st Dzorwulu Crescent
West Airport Residential Area Accra, Ghana
Accra, Ghana

NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTICE IS HEREBY GIVEN that an Annual General Meeting (AGM) of the **BULK OIL STORAGE AND TRANSPORTATION COMPANY LIMITED (BOST)** will be held on Wednesday **14TH SEPTEMBER 2022** at 10am at the **MOVENPICK AMBASSADOR HOTEL, ACCRA**.

AGENDA

1. Opening Remarks
2. Confirmation of Agenda
3. Statement by Board Chairman
4. Statement by Director-General of SIGA
5. Statement by Minister for Public Enterprises
6. Statement by Minister for Energy
7. Consideration of Report by the Directors
8. Consideration of Report by the Auditors
9. Authorization of Directors to fix the remuneration of the Auditors
10. Determination of the remuneration of Directors
11. Closing

Dated at Accra, this 22nd day of August 2022.

William Owusu Demitia
Company Secretary-BOST



William Kofi Owusu Demitia holds a Bachelor of Laws (LL.B), a Master of Laws (LL.M) in International Taxation and a Master of Business Administration (MBA) in Finance.

He is a lecturer at the University of Ghana School of Law and the Managing Partner of Arete Solicitors – a finance, tax, commercial and dispute resolution firm located at Labone, Accra. He has offered high level tax and legal advice to companies engaged in mining, petroleum, manufacturing, retail, hospitality, construction, and insurance sectors in Ghana.

Mr. Owusu Demitia is a member of the Ghana Bar Association, the International Fiscal Association, the International Bar Association, an associate member of the American Bar Association, a Tax Practitioner of the Chartered Institute of Taxation, Ghana, and a member of the South African Institute of Taxation.

He has published articles in well-respected international journals, and he co-authored the fourth and fifth editions of the book; “Law of Taxation in Ghana” with Dr. Benjamin Kunbuor and Dr. Abdallah Ali-Nakyea.

ADDRESS BY THE HON. MINISTER FOR ENERGY



The Chairman and Members of the Board of Directors of BOST

The Managing Director and Members of the BOST Management Team

Distinguished ladies and gentlemen

It is indeed a pleasure to be here for this all-important event in the corporate governance of the Bulk Oil Storage and Transportation Company Limited, BOST. I dare say this is but one of the phenomenal corporate turnaround stories in the public sector of Ghana over the past decade.

I have had the opportunity to take a look at the state of the company in January 2017 from a copious report I received and was surprised at the financial and operational out-turns of the company for the year 2021 which report I believe shall be a cardinal part of this Annual General Meeting.

From a debt position of Six Hundred and Twenty-Four Million United States Dollars (\$624 Million) owed suppliers and related parties, BOST has over the five years preceding the year in focus, 2021, paid Six Hundred and Eleven Million United States Dollars (\$611 Million) with IGF contributing about Four Hundred and Twenty-Three Million United States Dollars, (\$423 Million). The BOST portion translates into an average of \$84.6 Million of company generated cash per year being spent on debts accrued through the trading activities of the company in the past.

I am delighted to note that an internal Committee of BOST vetted the claims of eight (8) Bulk Distribution Companies, BDCs for Thirty-Seven Million United States Dollars (\$37 Million) and the figure was reduced by a whopping Twenty-Seven Million Dollars (\$27 Million) leaving BOST with a difference of Ten Million United States Dollars (\$10 Million) to pay.

I would like to take this opportunity to express my gratitude to this committee on behalf of the government and people of Ghana. This is the path to go if we should attain the path of State-Owned Enterprises contributing to the fiscal policy of government for national growth and development agenda. Imagine if 100 SOEs each made GHs150million net income. That will be Ghs15billion cedis that the nation need not borrow.

I was further informed that the increase in the BOST Margin from 6 to 9 pesewas per liter in 2021 also aided the company to undertake the following major repair works amongst others:

- Twelve (12) out of fifteen (15) decommissioned tanks
- Four river barges for fuel transport on the Volta Lake
- Upgrade of Akosombo jetty
- Upgrade and replacement of loading arms, pumps, and valves across all the depots
- Buipe-Bolgatanga-Petroleum-Product-Pipeline
- Tema-Akosombo-Petroleum Product-Pipeline
- Bolgatanga Petroleum Export Depot among others.

The transformation is indeed massive as evidenced in improved operational efficiency.

Comparing figures, I also saw BOST reducing its administrative expenses from as high as GHS538 Million in 2016 with a staff strength of 349 to GHS212 Million in the year 2021 with a staff strength of 487. Genuine administrative costs grow upwards and not downwards due to factors like inflation among others. I would like to commend management for the prudence which resulted in these massive reductions in the cost of operations. The company is spending less whilst achieving more for the government and people of Ghana from the face of the record and this is an impressive performance that the Board and Management of the company need to be commended for.

I am aware of recent developments in the mass media on BOST, but I am also aware of the political economy around the operations of the company. The moment BOST steps up its performance, the avenues for the prosperity of some known private stakeholders become challenged and in the process of ensuring inefficiency gets restored, unsubstantiated allegations and calculated mudslinging are the obvious weapons. Government is aware of the turf war to get the company derailed and we are not falling for these to engage the reverse button.

On fuel security, government is sparing no effort at ensuring BOST is resourced to hold stocks to fulfil this mandate. The modalities are well under consideration. For a sustainable solution to our fuel challenges, government is working to ensuring an efficient Tema Oil

ADDRESS BY THE HON. MINISTER FOR ENERGY (CONT'D)

Refinery compliments the efforts of BOST by refining products and delivering same to BOST for storage and distribution to ensure the Ghanaian petroleum product consumer is saved the difficulty of high prices of products either due to the desire to make profit or real global challenges.

On the financial performance for the year 2021, I would like to congratulate the board and management of the company. I am confident much more can be achieved if the same momentum is sustained. A profit before tax of One Hundred and Sixty-Four Million Cedis from a previous year of Two Million Ghana Cedis is a massive achievement.

This is an indication that with the right leadership and set of attitudes, State Owned Enterprises can grow to feed the government with the revenue required for our progress as a people. Government does not invest in SOEs to sit back and watch them making chain of losses from one fiscal year to the next. I believe the Public Enterprises Ministry and SIGA will leave no effort behind in encouraging and leading SOEs to deliver on their mandate and help government to make the lives of the people better.

With the right focus, we can together make Ghana a proud nation without doubt. Thank you so much for your time and attention.

May God continue to bless our homeland Ghana.

Hon. Dr. Mathew Opoku Prempeh

MP, Minister for Energy



ADDRESS BY THE HON. MINISTER FOR PUBLIC ENTERPRISES



I commend the current Board and Management of the Bulk Oil Storage and Transportation (BOST) for organizing their first Annual General Meeting (AGM), since the establishment of the company. AGMs are extremely important because it offers the opportunity for companies to assess their financial health, note key issues and develop strategies that would drive the performance of the company.

My association with BOST dates to 2013 when I was appointed as a Member of the Select Committee on Mines and Energy of Ghana's Parliament. It continued when I became a Deputy Minister of Energy in 2017. The relationship continues to grow in my current capacity as the Minister for Public Enterprises. The name BOST as I knew it, was synonymous with financial and operational scandals, inefficiencies, high indebtedness, management challenges, loss making and many other difficulties, making the company unattractive for investors to do business with. It is a fact that BOST over the years has made serious losses, contributing hugely to the company's negative retained earnings.

Despite all these challenges, BOST in 2021, made a turnaround from a heavy loss position of GH¢ (458.64M) in 2016 through a minimal loss of GH¢ (291.02M) in 2020 to a profit position of over GH¢ 160 million in 2021. I have learnt that this feat is the first in 11 years and I seize this opportunity to commend the current Board and Management for striving to attain this success. It is my fervent hope as Minister for Public Enterprises that Management will continue to tread this path to the extent of paying dividends to government, in accordance with the vision of H.E, Nana Addo Dankwa Akuffo Addo, President of the Republic.

As Minister for Public Enterprises, overseeing State Interest and Governance Authority (SIGA), the turnaround of BOST is a joyful news, since it ties into my mandate of solving a 65-year-old problem of loss making, high indebtedness, non-performance, and collapse of state enterprises. To achieve this, my office has together with SIGA, and the Ministry of Finance made efforts to build capacities of Boards and CEOs through good corporate governance training, making recommendations for restructuring and turnarounds, like we are witnessing today at BOST. We have also introduced the Public Enterprises League Table (PELT), which maiden edition was held on 30th June, to engender competition among the public enterprises. Among the 50 entities that were ranked, BOST came 8th on the league table, which is not surprising at all, given its demonstration of good performance and turnaround.

My observations from working visits I have embarked to most public enterprises, indicate that they have huge assets, yet Management are not able to sweat them to break even or generate enough revenues to pay themselves well and pay dividends to government. It is time for management to work smart by leveraging technology to improve on their services and innovate products through the government's digitalization agenda.

I know BOST has a functional strategic plan for the period 2020 to 2024, which seeks to move BOST from loss making to profit making and dividend paying enterprise. The operational trajectory for achieving this must not in any way be compromised. I wish to reiterate my commitment to supporting BOST in any way possible to achieve the outlined objectives in the strategic plan. My doors are always open for any discussion or assistance that may be required.

Let me once again commend the Board and Management for their hard work in turning around BOST and I know by this achievement, you have become a model for other state enterprises to learn from. I call on you to continue to demonstrate this excellence for the benefit of government as your shareholder.



Hon. Joseph Cudjoe
MP, Minister for Public Enterprises



MESSAGE FROM DIRECTOR-GENERAL OF THE STATE INTERESTS AND GOVERNANCE AUTHORITY)



On behalf of the Board and Management of SIGA, I would like to begin by first commending the Management and Board of the Bulk Oil Storage and Transportation Company Limited (BOST) for their determination in ensuring the Company remains viable even in the face of the adversity of the COVID-19 pandemic, the impact of which is still being felt today. With BOST being a key player in such an important industry, I am proud of how you have led the Company through these challenging times, proficiently owning up to your all-important mandate (of managing and developing a national network of oil storage depots and pipelines across the country).

Annual General Meetings are a time for reflection. And as I look back to the year under review, BOST has made significant progress. It was ecstatic to learn that after over 11 years of recording losses, BOST has made remarkable turnaround, making a profit of GH¢163,871,810 after tax in 2021. Revenue almost doubled from GH¢632 million recorded in 2020 to GH¢1.12 billion in 2021. We commend the Board and Management for an impressive performance.

With the pertaining fiscal and infrastructural challenges notwithstanding, there is more room to improve financial performance and to further drive growth. I believe with innovative thinking, perseverance, and teamwork from all stakeholders even more can be achieved.

On this note, I would like to reiterate Government's commitment towards supporting SOEs growth, which is demonstrated by the formation of the State Interests and Governance Authority (SIGA).

At SIGA, our objective is to facilitate and promote performance management in Specified Entities (SEs), within the framework of Government policy, to ensure that they operate efficiently, effectively, and profitably thereby contributing to the socio-economic development of Ghana.

SIGA as a central oversight body remains dedicated to a continued partnership with BOST on its turnaround strategy.

Going forward, I remain optimistic that BOST on this new path will continue to create a lasting value for all its stakeholders, inching ever closer to realizing its vision of being the number one fuel and logistics company in the sub-region.

Thank You.



Ambassador Edward Boateng
Director – General, State Interests
and Governance Authority (SIGA)

BOARD OF DIRECTORS

For the year ended 31 December 2021



Mr. Ekow Hackman

Role: Board Chairman

Mr Ekow Hackman completed his secondary and tertiary education at the King's School, Canterbury (UK) and the London School of Economics and Political Science respectively. He was awarded a Bachelor of Science degree in Economics (International Trade and Development) in 1984.

His working life has comprised two different careers running simultaneously, firstly as a Business Consultant and secondly as an Entrepreneur in Agriculture and Argo-processing.

His early working experience included working as a trainee at the commodity broking companies V.Berg & Sons and EDF & Man in London ,U.K. during vacation periods at the LSE, and as an Economics Officer in the Research department of the Bank of Ghana from 1986

to 1987. He joined the family business Ukays Commercial Associates Limited as Administrative and then Managing Director from 1987 to 2002. He was later the Managing Director of Brenel Limited from 2002 to 2009 providing Business Consultancy services to Multinational companies such as Alcatel-Lucent in the Telecommunications, Energy, Water and Defence sectors.

At the same time Mr Hackman was running Ukays Tropical Products Limited which was established in 1987 to produce pineapples and mangoes for export. In 2003 this became Unifruit Limited, a free zone pineapple production and export company at Bawjiase, Central Region, with joint Ghanaian and German participation. He remained the managing director until 2014 when he sold his shares in the company.

He was a founder member and Chairman of Peelco Limited another free zone fruit processing company exporting fresh fruit to Europe and was elected the President of the Horticulturalists' Association of Ghana and Executive Council member of the Seafreight Pineapple Exporters of Ghana. In total he has accumulated over twenty-seven years' experience in managing agricultural and agro-processing enterprises.

Mr Hackman has also served as a Director of Gold Coast Refinery Limited and Chairman of the Steering Committee of Euroget De Invest, an Egyptian company involved in the construction of hospitals in Ghana. Much of his working life has been spent in providing consultancy services to multinational companies involved in turn-key projects in the Telecommunications, Construction, Electricity and Water distribution sectors.

He was appointed Chairman of BOST by His Excellency, President Nana Addo Dankwa Akufo-Addo in October 2018.

Mr Hackman is a keen tennis player and a Patron of the Accra Lawn Tennis Club. He is married with three daughters.

BOARD OF DIRECTORS

For the year ended 31 December 2021



Mr. Edwin Provencal

Role: Managing Director

Edwin Alfred Provencal before his appointment as the Managing Director of the Bulk Oil Transportation (BOST) Company Limited was the Technical Advisor to the Minister of Energy, Hon. John Peter Amewu, now Minister for Railway Development and MP for Hohoe Constituency.

He has over 18 years' experience in Executive

Management roles in various organizations including serving as Chief Executive Officer (CEO) of Vodafone Wholesale/National Communications Backbone Company and Director of Strategy in Vodafone Ghana. Under his leadership, Vodafone leapfrogged from #3 to #2 in Revenue Market Share in the telecoms industry.

His other places of work include Globacom Ghana Limited, Ghana Telecoms, Sambus Company Limited and K-Net; a leading Internet Service Provider in Ghana.

Mr. Provencal holds amongst other qualifications an MPhil in Economics as well as MBA in Management Information Systems (MIS) from the University of Ghana, Legon. He is also a product of the Kwame Nkrumah University of Science and Technology (KNUST), Kumasi where he graduated with a BSc in Electrical Engineering.

He obtained a Post Graduate Diploma in Financial Management from ACCA and he is a Project Management Professional (PMP) which he attained from the Project Management Institute in USA. He also holds Executive certificates from IMD, Switzerland and Harvard Business School.

Mr. Provencal was a visiting lecturer at the Central University Business School and Regent University in Ghana.

He is the founder and managing Partner of Provencal & Associates with a keen focus on improving shareholder value by building high performing teams and developing leaders using various tools such as the Balanced Scorecard, Project Management and Coaching.

He was appointed the Managing Director of BOST in August 2019.

Mr. Emmanuel Tandoh

Mr. Tandoh is a Chemical Engineer with a Finance background. He holds a BSc. in Chemical Engineering from the Kwame Nkrumah University of Science and Technology and an EMBA in Finance from the University of Ghana Business School. He has several years of experience in both the manufacturing and service sectors.

Mr. Tandoh is currently the Regional Quality Manager (Baby Food) for Nestle Nutrition in Africa, the Middle East, and Pakistan. He has served on several boards including the Nestle Provident/Pension Funds and MINT Microfinance. He brings on board years of experience in streamlining the operations of businesses.



BOARD OF DIRECTORS

For the year ended 31 December 2021

Prof Kofi Osei Akuoko

Prof. Akuoko holds a BA in Social Sciences from the Kwame Nkrumah University of Science and Technology, an MA in Economics and Social Studies from the University of Manchester, UK, and a PhD in Sociology from the University of Ghana, Legon.

Prof. Akuoko is a Member of the Institute of Human Resource Management Practitioners, Ghana.

He was the Dean of the Faculty of Social Sciences and the Acting Director for the Centre for Cultural and African Studies at the Kwame Nkrumah University of Science and Technology where he provided peerless leadership. He has over 30 years of industry experience having served on numerous boards across the corporate world.

Prof. Akuoko was the Chairman of the Ghana National Service Scheme Governing Board until January 2021. He is an avid researcher with numerous publications to his credit.



Mrs. Joyce Agyeman Attafuah

Joyce Agyeman Attafuah holds a BA (Hons.) in Social Science and a concurrent Diploma in Education from the University of Cape Coast, Ghana. She proceeded to Ghana School of Law, Accra where she pursued with a Preliminary Law Course (PLC I & PLC II) and upon completion was called to the Bar as Barrister & Solicitor of the Supreme Court of Ghana in the year 2007.

Mrs. Attafuah is currently the Managing Partner of Ken Attafuah LawPlace, Kesewaa Chambers in Accra. She was previously a named Partner at Kulendi, Amponsah and Attafuah@Law firm in Accra after working as an Associate Solicitor and Barrister at the same Law firm.

Mrs. Attafuah previously served as Council Member of University of Development Studies, Tamale, Commission Member of Legal Aid Commission and KooKoo Farmers Association, Kumasi. She is currently the Board Chairman of Ghana Hostels Limited and a Board Member of JoyKen Platinum Company Limited.

She is a member of Ghana Bar Association.



BOARD OF DIRECTORS

For the year ended 31 December 2021

Bright Okyere-Adjekum Esq.

Mr. Okyere-Adjekum is a distinguished lawyer with over 19 years of legal practice. He is a product of University of Ghana, Legon where he graduated with a Bachelor of Laws Degree (LLB) and a Master of Laws Degree (LLM in Oil and Gas).

He specializes in commercial law, banking and finance, as well as oil and gas (both upstream and downstream). He is also into Land litigation.

Mr. Okyere-Adjekum is the Managing Counsel of the Law Firm, Adjekum and Company Pruc.

He is a member of the Ghana Bar Association as well as a member of the Ghana Arbitration Center. Mr. Okyere-Adjekum also serves on the Law Reform Commission of Ghana as a member.



Hon Dr. Nana Ayew Afriye-MP

Nana Ayew Afriye is a Ghanaian politician and member of the Seventh Parliament of the Fourth Republic of Ghana representing the Effiduase-Asokore Constituency in the Ashanti Region on the ticket of the New Patriotic Party.

He obtained an MB ChB, a B.S.C and an MA from the University of Ghana, an MPH from the University of Leeds U.K, and a postgraduate certificate from the Oxford University U.K.

Nana Ayew Afriyewas a Medical Officer at the Ridge Hospital from 2004 to 2007 and Castle Clinic from 2007 to 2009, the Institutional Public Health Head at the Ridge Hospital between 2011 and 2012, and the C.E.O of St.John's Medical and Fertility Centre from 2012 till date.



BOARD OF DIRECTORS

For the year ended 31 December 2021



MRS FRANCISCA ABA ADDISON

Mrs Francisca ABA Addison is a businesswoman and politician based in Takoradi, Western Region.

She holds a certificate in Hotel Management from Gimpa (2003) and is product of Takoradi Polytechnic (1977-1979).

She is Chief Executive Officer and the Proprietor of the Takoradi beach hotel from 2009 to present. She was the secretary to the managing director of Multiwal Paper Sacks, Takoradi from 1980 to 1984. She was also the secretary to the Regional Advisor of the Ghana Oil Company, Takoradi from 1979 to 1980.

She is currently a member of the NPP Western Region Disciplinary Committee and a Patron.

Mrs Addison was appointed to the BOST board in June 2019 by the H.E. Nana Akufo Addo, President of the Republic of Ghana.



OHENEBA OWUSU AFRIYIE IV

Oheneba Owusu Afriyie IV known in private life as Mr Kwadwo Kankam, is the Apagyahene of Kumasi Traditional Council.

Nana is an Architect by profession.

He was appointed as a member of the BOST Board of directors in July 2021 by H.E. Nana Akufo Addo, President of the Republic of Ghana.

MANAGEMENT TEAM

For the year ended 31 December 2021

Mr. Edwin Provencal
Managing Director



Mr Moses Assem
Deputy Managing Director



Mrs. Harriet Amoah
GM-Legal Dept.



Mr. Bismark Adom-Dankwah
GM-Finance Dept.



Mr. Augustine Appiah
GM-HR & Administration Dept.



Mr. Ato-Amissah Wilson
GM-Corporate Planning Dept.



Mr. Albert K. Mantey
GM-Fuel Trade Dept.



Mr. Josiah Kwamina Atta
GM-Transmission & Terminal Dept.



Mr. Nicholas Samari
GM-Asset & Infrastructure Dept.



Mr. Bagnaba Van-Gogh
GM-Field Operation Dept.



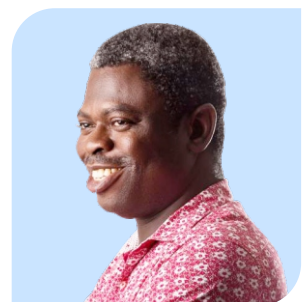
Mr. Edmund Acquah
GM-Audit Dept.



Mr. Marlick Adjei
GM-Corporate Communication Dept.



Mrs. Vivian Kally
GM-Procurement Dept.



Mr. Fred Ayarkwa
Technical Advisor to M.D.

BOARD CHAIRMAN'S STATEMENT

For the year ended 31 December 2021



Mr. Ekow Hackman
Board Chairman

Good morning, Ladies and Gentlemen, and Welcome to the maiden Annual General Meeting of BOST. On this historic occasion, it gives me great pleasure to extend a special welcome to our dignitaries the Honourable Minister for Energy Dr Matthew Opoku-Prempeh, who in his capacity as Minister for Energy is the authorized representative of the shareholder of BOST; the Honourable Minister for Public Enterprises Honourable Joseph Cudjoe and the Director-General of the State Interests and Governance Authority, Ambassador Edward Boateng. The fact that this is indeed the first AGM to be held by the company is indicative of all that has gone wrong with the company in the past.

Honourable Ministers Ladies and Gentlemen I am delighted to inform you of the progress the company has made over the past few years which has transformed it from a heavily indebted company owing more than **\$624 million** as at January 2017 to one with debts of less than **\$30 million** at the end of 2021. We have restored the business model on which the company was established, to have a number of operational fuel depots placed in strategic parts of the country linked by a network of pipelines and barges to enable secure and cost-effective delivery of fuel products around the country. Over the years, this network had entered a state of disrepair largely because of a lack of investment in its maintenance. BOST'S revenue earning assets reached a low of 34 percent in 2017. Honourable Ministers, through the diligent leadership of management supported by a well-oriented workforce this figure had risen to 95 percent as at the end of 2021 and is due to reach 100 percent with the completion of remaining works on our critical infrastructure this year.

CHAIRMAN'S STATEMENT

The restoration of part of the lost value of the BOST Margin by Government in June 2021 has brought an element of financial stability to the company. This levy on the petroleum price ensures that BOST can repair and maintain facilities in parts of the country such as Bolgatanga, Buipe, Savelugu and Akosombo, areas where private profit-oriented companies would not readily venture. During 2021, BOST regained the confidence of the financial community with banks which had previously closed their doors to us now welcoming us with credit lines on more favourable terms, to enable us bring in larger volumes of fuel products and to trade profitably as a result.

The transformation of the company's infrastructure as well as its commercial operations have been accompanied by a strong emphasis on governance and compliance. To this end, the board approved fifteen new corporate policies to regulate the work of the various departments. It is instructive to note that most of these policies, where they did exist, were only in draft and could not be used as benchmarks for the conduct of staff and management. Honourable Ministers, the drive to inculcate a culture of good corporate governance has not stopped at the staff and management level. The Board has established a Board Charter to guide its work as well as charters for its individual committees. In line with international best practice, we also introduced a Risk Committee which oversees the activities of the new Risk Unit introduced by management. This initiative was seen as indispensable during these increasingly turbulent times which has led to developments such as the Covid-19 Pandemic and the Russia-Ukraine War.

The adoption of the Balanced Score Card Strategy Performance Management tool by management has also begun to yield significant results for BOST. The emphasis on individual performance within the group dynamic has served to galvanise the management and workforce and has also eradicated the illogical but long established and cherished practice of the past where bonuses to management and staff were inexplicably paid irrespective of individual, or indeed even more alarmingly corporate performance.

Passion, performance and excellence remain at the heart of our business to ensure that we fulfil our mandate as a company and deliver value to the shareholder

BUSINESS AND ECONOMIC ENVIRONMENT

Honourable Ministers, 2021 was a challenging year for the global economy due to the lingering uncertainty and dislocation resulting from the Covid-19 pandemic. Despite a marked slowdown in global growth, Ghana's provisional real GDP growth for 2021 showed a positive outturn of 5.4 percent, exceeding the 4.4 percent 2021 projected outturn by 1 percentage point and the Sub-Saharan Africa average growth rate by 0.9 percentage point.

Confirmation that the economy was on the rebound from the COVID-19 pandemic came in the expansion of the non-oil real GDP sector from 1.0 percent in 2020 to 6.9 percent in 2021.

The growth in GDP was driven mainly by the service sector, registering 9.4% growth year on year. The downstream oil sector in Ghana grew by 9% compared to 2020, with the consumption of gasoline and gasoil being major contributors. Inflation increased from an average of 7% in 2020 to 10% in 2021.

Disrupted supply chains led to steep increases in the cost of freight resulting in the rise in the cost of goods on the local market.

FINANCIAL AND OPERATIONAL PERFORMANCE

In spite of the general economic climate in 2021, I am pleased to inform you Honourable Ministers that BOST achieved a net profit after income tax of **GHS 160,718,361** for the financial year 2021 after all provisions. This compares to a loss of **GHS 291,017,758** in 2020 which contained a provision of **GHS 292,935,973** for deferred taxation, resulting from the revaluation of the company's assets in that year. Of greater significance is the increase in operational profit from **GHS1,918,215** in 2020 to **GHS163,871,810**.

In 2021, BOST saw a significant improvement in its core business with an overall increase in gasoline and gasoil sales revenue of **83%**. Revenue from gasoline sales increased by 144% from **GHS 140 million to GHS 341 million** with diesel sales also increasing by **46% from GHS 227 million to GHS 331 million**. This increase was the result of improved financing arrangements for petroleum products as well as effective customer engagement and retention initiatives to improve the company's market share.

CHAIRMAN'S STATEMENT

One such initiative led to the securing of new export customers in Mali. It is worthy to note that 20% of product sales revenue was from this new export market.

Revenue from our marine transportation business increased by **412%** from the previous year's revenue of **GHS 2.9 million to GHS 14.9 million**. This was mainly due to the full deployment of all four barges of the company after extensive renovation. Storage and rack revenue also saw a steady growth of **4% from GHS 50.4 million to GHS 52.6million**.

Finally, the increase in BOST margin from GHp 6 to GHp 9 in June led to an 80% increase in BOST Margin revenue from **GHS 212 million to GHS 380 million**.

BOST maintained its position of second place amongst its competitors offering depot services and is on course to become the number one terminal in line with our 2020 to 2024 business strategy.

STRATEGY

The Corporate Strategy from 2020 to 2024 continues to be our guide for the years ahead. To this end we remain focused on four key objectives namely, ensuring stakeholder satisfaction, reducing turnaround time, improving asset utilization and increasing revenue.

In the year under review, we implemented several important initiatives that emanated from our customer and employee satisfaction survey undertaken in 2020. They included tracking the turnaround time of bulk road vehicles which transact business in our depots and identifying bottlenecks; engaging regularly with all our customers and responding quickly to their needs; building the capacity of staff to enable them deliver extra value for the company and providing them with resources to support the delivery of these objectives. These initiatives were amongst the key drivers behind the improved performance of the company and culminated in an increase in revenues of **77%** from **GHS 633million in 2020 to GHS 1,121 million** in 2021..

HEALTH, SAFETY, SECURITY, ENVIRONMENT

BOST continues to focus on ensuring that the workplace remained a congenial one for all staff and stakeholders during the year under review.

HEALTH AND SAFETY

This entails in ensuring that work is done in a safe, secure and environmentally friendly manner to enable staff deliver effectively. Some key initiatives undertaken include

- Correcting all the non – compliance and non – conformance reported in hazard action tracking,
- Effectively managing all ongoing projects to ensure zero LTI,
- Delivery of weekly toolbox talks at all BOST depots,
- Annual medical screening for all staff,
- Vaccination of staff against the COVID-19 virus, and
- Providing adequate support to deal with the COVID-19 pandemic.

SECURITY

The Right-of-way of our depots and pipelines remain high security zones and we are making continuous efforts to ensure the integrity of the facilities. In line with this, the company is investing in modern surveillance systems for the depots as well as leak and intrusion detection systems for the pipelines.

CORPORATE SOCIAL RESPONSIBILITY

BOST has over the years consistently supported communities located within the vicinity of our facilities. This has been achieved through initiatives to enhance the well-being inhabitants of these communities in line with the Corporate Social Responsibility Policy of the company.

In 2021, BOST, in collaboration with the Ministry of Education embarked on a tour to selected districts across the country to meet the leadership of district assemblies and community chiefs to identify qualified but needy engineering students to provide them with financial assistance in the form of scholarships. The beneficiaries of these scholarships are expected to receive them during the next academic year beginning 2022. BOST also undertook a data collection exercise at schools within these communities.

CHAIRMAN'S STATEMENT

The objective was to identify and supply all the schools with books and other inputs that will enhance learning.

The company also sponsored various activities such as the PMI Ghana Annual Conference as well as an unfortunate victim of a fire outbreak.

In line with our commitment to the Sustainable Development Goals (SDGs) 4, 7 and 13 of the United Nations, which focus on quality education, affordable and clean energy and climate action respectively, BOST sponsored the maiden E-mobility conference which was hosted by the Energy Commission to promote the use of electric vehicles in Ghana. BOST also sponsored the Royal Dialogue on Climate Change and Sustainable Development Goals (SDGs) which sought to educate the citizens of the country on the need for using cleaner fuels.

OUTLOOK

Looking ahead, the Board is confident that the company is on the right footing due to the strong foundations that have been laid. Key strategic initiatives that have commenced include the depots upgrade project whose completion will place BOST on par with other terminals who have state of the art equipment and will establish the company as the market leader nationwide.

The Tema to Kumasi petroleum pipeline, where we shall engage a suitable development partner to deliver the project, will ensure that our transportation revenue becomes the number one income stream for the company.

BOST intends to construct LPG tanks at Tema, Kumasi, Takoradi and Buipe as a new activity to boost our revenues whilst supporting government efforts to create jobs for the youth.

CONCLUSION

In conclusion, I would like to express my sincere appreciation to all key stakeholders who have contributed immensely to the recent success and growth of the company. Firstly, mention must be made of the crucial support of His Excellency the President Nana Addo Dankwa Akufo-Addo, who has taken a

singular interest in the performance of BOST. The authorized representative of our shareholder and Supporter-in-Chief, the Honorable Minister of Energy, Dr. Matthew Opoku-Prempeh, the indefatigable Honorable Minister of Finance, Ken Ofori-Atta, the Honorable Minister of Public Enterprises, Hon. Joseph Cudjoe whose quest for relentless improvement in the performance of SOEs acts as an inspiration for us all, and the Chief Executives of the National Petroleum Authority and the Director-Generals of SIGA, past and present, including Ambassador Edward Boateng, who is with us here today, all deserve strong commendation for their continued support of BOST.

To the management and staff of BOST, I extend the Board's appreciation for the tremendous work done during the past few years culminating in the results we witness today. Here I must single out the Managing Director, Mr. Edwin Provencal for his vision, aptitude, and dedication to the cause of BOST. Many within and outside BOST will bear testimony that he has been instrumental through his unyielding quest for improvement and his abhorrence of mediocrity in steering through the change agenda that has resulted in such positive results. This has at times come at great personal cost to him and he has had to bear the slings and arrows that come with placing the national interest above parochial private interests. I'd like to assure him that the Board remains solidly behind him and will continue to give him the needed support at all times.

BOST has moved from an era when the revenue streams of the company were privatized whilst the costs were socialised. Honorable Ministers it our intention to ensure that the company never returns to such a situation and that BOST remains an asset and not a liability to government. We are confident that with your continued support, BOST can become one of the most valuable State-Owned Enterprises in Ghana paying dividends to the Exchequer to the Glory of God and for the benefit of all Ghanaians.

Lastly, to my fellow board members I must thank you for your tireless efforts in spearheading this process of transformation of BOST and I look forward to continued collaboration in taking the company to greater heights during the remainder of our tenure in office.

Thank you.

FINANCIAL PERFORMANCE AT A GLANCE (2016-2021)

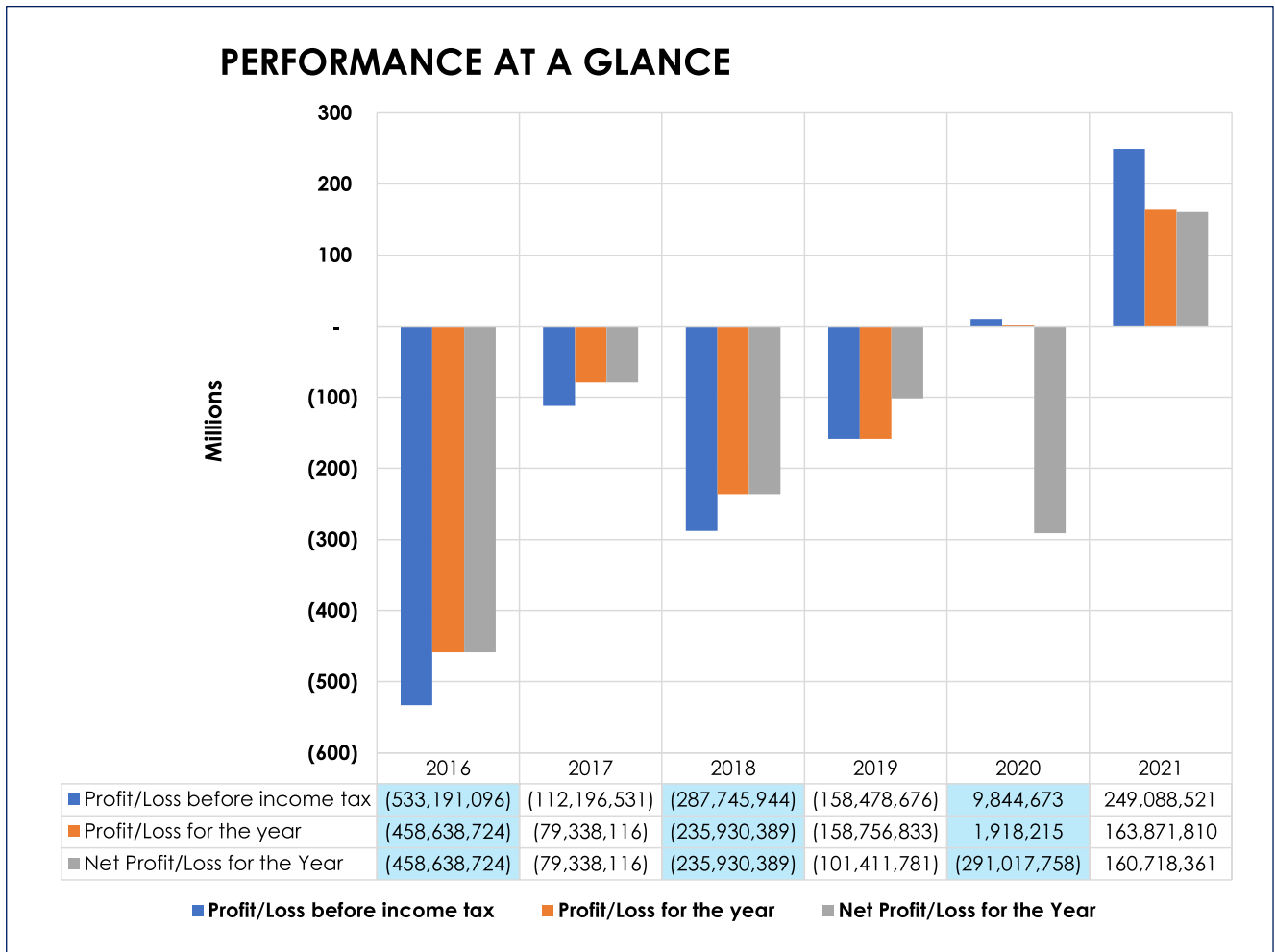


Figure 1: Performance at a glance (2016-2021)

CORPORATE EVENTS AND ACTIVITIES

SWEARING IN OF BOST BOARD MEMBERS



BOARD MEMBERS IN POSE WITH THE MINISTER OF ENERGY



BOST CHAIRMAN AND MD BEING SWORN INTO OFFICE

CORPORATE EVENTS AND ACTIVITIES

BOST AND ENERGY SECTOR CSOS ACCOUNTABILITY TOUR OF BOLGA DEPOT



SOME PARTICIPANTS ON THE TOUR



SOME PARTICIPANTS ON THE TOUR

CORPORATE EVENTS AND ACTIVITIES

BOST COMMISERATES WITH THE OSU TRADITIONAL COUNCIL



MD SIGNING THE BOOK OF CONDOLENCE



BOST DELEGATION IN POSE WITH THE MOURNERS

MOE Scholarship for Brilliant Engineering Students



Traditional Rulers of beneficiary communities



Student Beneficiaries

CORPORATE EVENTS AND ACTIVITIES

Awards



BOST Staff at the PMI Ghana Conference



PMI Excellence Awards

Projects



MINISTER FOR PUBLIC VISIT TO
BOST ACCRA PLAINS DEPOT



BOST TAKES DELIVERY
OF 12 INCHES PIPES

BOARD OF DIRECTORS REPORT

For the year ended 31 December 2021

The Directors have the pleasure of presenting this annual report together with the audited financial statements of Bulk Oil Storage and Transportation Company Limited ('the Company' or 'BOST') to the members of the Company for the year ended 31 December 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2019 (Act 992) requires the directors to prepare financial statements for each financial period, which give a true and fair view of the situation of the Company and of the profit or loss for that period.

In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 2019 (Act 992).

The directors confirm that the financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities. This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

NATURE OF BUSINESS

BOST has the mandate:

- To develop a network of storage tanks, pipelines, and other bulk transportation infrastructure throughout the country.
- To rent or lease out part of the storage facilities to enable it to generate income.
- To keep Strategic Reserve Stocks for Ghana.

- To own, manage and develop a national network of oil pipelines and storage depots.
- To manage the "Zonalisation" policy of the National Petroleum Authority (NPA).

FINANCIAL RESULTS

The financial results for the year ended 31 December 2021 are set out on page 9 to 13.

CORPORATE SOCIAL RESPONSIBILITIES

The Company contributed an amount of GHS 338,100.00 towards its corporate social responsibility activities during the year.

CAPACITY BUILDING OF DIRECTORS

The Company ensures that only fit and proper persons are appointed to the Board. Relevant training and capacity building programs are put in place to enable the directors discharge their duties.

DIRECTORS' INTEREST

There were no entries in the interests register during the year.

AUDIT EXPENSES

The Audit incidentals for the year ended 31 December 2021 is GHS 300,000

BOARD OF DIRECTORS REPORT (CONT'D)

DIRECTORS IN OFFICE

The directors who held office during the year are as follows.

Name of director	Designation	Tenure
Mr. Ekow Hackman	Chairman	Appointed on 16 October 2018
Mr. Edwin Alfred Provencal	Managing Director	Appointed on 26 August 2019
Mrs. Francisca Aba Addison	Member	Appointed on 25 July 2019
Mrs. Joyce Agyeman Attafuah	Member	Appointed on 06 September 2017
Mrs. Comfort Aniagyei	Member	Tenure ended on 26 July 2021
Mr. Kamal Deen Abdulai	Member	Tenure ended on 26 July 2021
Dr. Desmond Afutu Nartey	Member	Tenure ended on 26 July 2021
Mr. John Kweku Akyene Duncan	Member	Tenure ended on 26 July 2021
Oheneba Owusu Afriyie IV	Member	Appointed on 26 July 2021
Mr. Emmanuel Tandoh	Member	Appointed on 26 July 2021
Hon. Dr. Nana Ayew Afriye	Member	Appointed on 26 July 2021
Mr. Bright Okyere-Adjekum	Member	Appointed on 26 July 2021
Prof. Kofi Osei Akuoko	Member	Appointed on 26 July 2021

DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2021.

GOING CONCERN

The directors have assessed the Company's ability to continue as a going concern and have no reason to believe the Company will not be a going concern in the year ahead.

By order of the board:

Name of Director	Ekow Hackman	Name of Director	Edwin Alfred Provencal
Signature	 05/08/2022	Signature	 5/8/2022

BOARD OF DIRECTORS REPORT (CONT'D)

INTRODUCTION

The BOST is committed to the principles and implementation of good corporate governance. The company recognizes the valuable contribution that it makes to long-term business prosperity and to ensuring accountability to its stakeholders. The company is managed in a way that maximises long term stakeholder's value and considers the interests of all of its stakeholders.

The company believes that full disclosure and transparency in its operations are in the interests of good governance. As indicated in the statement of responsibilities of directors and notes to the accounts, the business adopts standard accounting practices and ensures sound internal control to facilitate the reliability of the financial statements.

THE BOARD OF DIRECTORS

The board is responsible for setting the company's strategic direction, for leading and controlling as well as for monitoring activities of executive management. The board presents a balanced and understandable assessment of the company's progress and prospects. The board consists of the Chairman, seven non-executive directors and one executive director who is the Chief Executive.

The board members, except the Chief Executive are independent of management and free from any constraints, which could materially interfere with the exercise of their independent judgement. They have experience and knowledge of the industry, markets, financial and other business information to make a valuable contribution to the Company's progress. The Chief Executive is a separate individual from the chairman who implements the strategies and policies adopted by the board.

The board meets at least four times each year.

THE AUDIT COMMITTEE

The Audit committee as a sub-committee of the Board is made up of two non-executive directors, and three appointees of regulatory agencies such as the Institute of Chartered Accountant, Ghana, and the Internal Audit Agency. Its term of reference is derived from The Public Financial Management Act, and they report to the board. The role of this Committee among others includes providing oversight of the independence of

financial reporting process and objectivity of the external auditor, internal financial process, compliance with laws and regulations and the safeguarding of assets.

SYSTEMS OF INTERNAL CONTROL

The company has well-established internal control systems for identifying, managing and monitoring risks. These are designed to provide reasonable assurance that the risks facing the business are being controlled. The internal audit function of the company plays a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems in the business. The systems of internal control are implemented and monitored by appropriately trained personnel and their duties and reporting lines are clearly defined.

CODE OF BUSINESS ETHICS

Management has communicated the principles in the company's Code of Conduct to its employees in the discharge of their duties. This code sets the professionalism and integrity required for business operations which covers compliance with the law, conflicts of interest, environmental issues, obligations of business partners, reliability of financial reporting, bribery

CONFLICT OF INTEREST

The company, as part of its progressive step to ensuring that there is no abuse of authority in the discharge of duties by the Directors, ensures full disclosure with regards to their relationship with other competitors by virtue of other directorships held as well as other business engagements. With regards to internal dealings, none of the non-executive directors has placed himself or herself in situations that give rise to conflict of interest by virtue of being awarded a contract or taking up any significant role(s) in the general operations of the business.

INDEPENDENT AUDITORS REPORT

For the year ended 31 December 2021



Independent auditors Report to the members of the Bulk Oil Storage and Transportation Company Limited.

Report on the Audit of the Bulk Oil Storage and Transportation Company Limited's Financial Statement.

OPINION

We have audited the financial statements of Bulk Oil Storage and Transportation Company Limited set out on pages 9 to 44, which comprise the statement of financial position as of 31 December 2021, and the statements of profit or loss and other comprehensive income, statement of changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, the financial position of the Company for the year ended 31st December, 2021, and its profit or loss and other comprehensive income, and its cash flows for the year then ended, in accordance with International Financial Reporting Standard Standards (IFRS), the requirement of the Companies Act 2019 (Act 992), the Public Financial Management Act, 2016 (Act 921) and Public Financial Management Regulations 2019, (L12378).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bulk Oil Storage and Transportation Company Limited in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 2019 (Act 992), but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report on in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Company's Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions required in the Companies Act 2019 (Act 992), Public Financial Management Act of 2016 (Act 921) and its enabling Regulations of 2019 (L.I. 2378) as well as the applicable accounting standards, and for such internal control as the Company determines its necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate Bulk Oil Storage and Transportation Company Limited or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS REPORT CONT'D

For the year ended 31 December 2021

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards for Supreme Audit Institutions, which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with International Standards for Supreme Audit Institutions, which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercise professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Bulk Oil Storage and Transportation Company Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS REPORT CONT'D

For the year ended 31 December 2021

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion proper books of account have been kept by the Company and its Subsidiaries, so far as appears from our examination of those books; and
- iii. The Company's balance sheet (included in the Statement of Financial Position) and Profit and loss account (included in the Statement of Comprehensive Income) agree with the books of account.
- iv. We are independent of the Company pursuant to section 143 of the Act.



JOHN GODFRED KOJO ADDISON
DEPUTY AUDITOR-GENERAL
For AUDITOR GENERAL
ACCRA, GHANA

Dated 05/08/2022

INCOME STATEMENT

For the year ended 31 December 2021

	Notes	2021	2020
		GH¢	GH¢
Revenue	5	1,121,664,362.00	632,659,391.00
Cost of sales	6	(659,341,221.00)	(410,742,113.00)
Gross profit		462,323,141.00	221,917,278.00
Other Income	7	19,980,360.00	15,326,570.00
Administrative expenses	8	(228,012.00)	(208,761,410.00)
Operating income (loss)		254,291,419.00	28,482,438.00
Finance income	9	1,712,403.00	1,445,761.00
Finance costs	10	(6,915.00)	(20,083,526.00)
Profit /(Loss)before Income tax		249,088,521.00	9,844,673.00
Income tax expense	11a	(85,216,711.00)	(7,926,458.00)
Profit / Loss After Income Tax		163,871,810.00	1,918,215.00
Deferred tax credit/ (tax provision)	11b	(3,153,449.00)	(292,935,993)
Net profit (loss) for the year		160,718,361.00	(291,017,750.00)
Items that may be reclassified to profit or loss	15	25,019,240.00	(15,674,525.00)
Changes in the fair value of investment instrument at fair value offer comprehensive Income			
Other comprehensive income for the period		25,079,124.00	(15,674,525.00)
		185,797,601.00	(306,692,283.00)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2021

	Notes	2021 GH¢	2020 GH¢
Non-current assets			
Property, plant and equipment	13	1,346,401,113.00	1,338,361,461.00
Right-of-use assets	24	-	4,011,867.00
Intangible assets	14	2,090,039.00	4,273,243.00
Investment securities	15	142,638,179.00	117,973,105.00
Total non-current assets		1,491,129,331.00	1,464,619,676.00
Current assets			
Inventories	16	171,712,586.00	96,086,267.00
Trade and other receivables	17	317,771,250.00	201,563,340.00
Cash and bank balances	18	93,765,317.00	53,023,807.00
Total current assets		583,249,153.00	350,673,414.00
Total assets		2,074,215,359.00	1,815,293,090.00
Equity			
Equity	19	500,000.00	500,000.00
Other reserves	25	609,464,837.00	584,385,597.00
Retained earnings	26	(858,155,636.00)	(1,043,471,937.00)
Total equity		(248,190,799.00)	(458,586,341.00)
Non-current liabilities			
Loans and borrowings	20	1,015,110,573.00	1,034,432,928.00
Deferred tax	11(d)	241,720,660.00	238,567,211.00
Total non-current Liabilities		1,256,831,233.00	1,273,000,139.00
Current liabilities			
Loans and borrowings	20	33,953,936.00	33,743,695.00
Trade and other payables	21	870,818,614.00	882,172,304.00
Taxation	11(c)	87,655,295.00	8,424,675.00
Employee benefit obligations	22	3,593,505.00	1,682,957.00
Provisions	23	69,553,574.00	69,553,574.00
Lease liabilities	24	-	5,302,086.00
Total current liabilities		1,065,574,925.00	1,000,879,291.00
Total liabilities		2,322,406,158.00	2,273,879,430.00
Total equity and liabilities		2,074,215,359.00	1,815,293,090.00

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

Name of Director: *Ekan Hachman*
 Signature: *[Signature]*
 05/08/2022

Name of Director: *Edwin K. Probert*
 Signature: *[Signature]*
 05/08/2022

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Stated capital	Other reserves	Retained earnings	Total
Year ended 31 December 2021	GH¢	GH¢	GH¢	GH¢
As of 1 January 2021.	500,000.00	584,385,597.00	(1,043,471,937.00)	(458,586,341.00)
Profit for the year	-	-	160,718,361.00	160,718,361.00
Prior year corrections	-	25,079,240.00	24,597,939.00	25,079,240.00
Fair value loss on investment securities	500,000.00	609,464,837.00	(858,155,636.00)	(248,190,799.00)
As of 31 December 2021.				
Year ended 31 December 2020	GH¢	GH¢	GH¢	GH¢
As of 1 January 2020.	500,000.00	90,379,790.00	(752,454,179.00)	(661,574,389.00)
Loss for the year	-	-	(291,017,758.00)	(291,017,758.00)
Fair value loss on investment securities	-	(15,674,525.00)	-	(15,674,752.00)
Revaluation Surplus	-	509,680,332.00	-	509,680,332.00
As of 31 December 2018.	500,000.00	584,385,597.00	(1,043,471,937.00)	(458,586,341.00)

The prior year corrections related to reclassifications of prior year inaccurate balances of accounts payables. The notes on pages 21– 30 are an integral part of these financial statements.

STATEMENT OF CASHFLOW

For the year ended 31 December 2021

		2021	2020
	Note	GH¢	GH¢
Operating activities			
Profit before tax		249,088,521.00	9,844,673.00
Depreciation of right-of-use assets	24	4,011,867.00	3,843,603.00
Depreciation of property, plant, and equipment	13	72,517,761.00	69,793,722.00
Provision for inventory loss		24,288,107.00	-
Amortization of intangible assets	14	2,183,204.00	2,183,204.00
Finance income	10	- 1,712,403.00	- 1,445,761.00
Provision for other expenses	8	378,828.00	3,234,389.00
Finance cost on lease	10	124,952.00	417,871.00
Finance cost	10	6,915,301.00	19,310,478.00
Operating profit/(loss) before working capital changes		357,796,136.00	107,182,179.00
Working capital adjustments:			
Decrease in inventories		- 75,626,319.00	- 15,514,076.00
Decrease/(increase) in trade and other receivables		- 117,461,276.00	- 74,061,016.00
(Decrease)/increase in trade and other payables		- 8,459,517.00	125,430,013.00
Increase/(decrease) in employee benefit obligations		1,910,548.00	415,014.00
Cash generated from operations		146,959,565.00	143,452,114.00
Interest received	10	1,712,403.00	1,445,761.00
Interest paid	10	- 6,915,301.00	- 19,310,478.00
Cash generated from operating activities		154,210,040.00	125,587,397.00
Taxes paid	11 C	- 7,250,475.00	-
Net cash used in operating activities		146,959,565.00	125,587,397.00
Purchases of property, plant, and equipment	12	- 80,611,788.00	- 47,905,450.00
Principal payment of lease liabilities	24	- 5,302,086.00	- 3,897,010.00
Net cash used in investing activities		- 85,913,874.00	- 51,802,460.00
Financing activities			
Loan drawdowns		14,820,563.00	12,138,563.00
Loan repayments		- 35,124,744.00	- 35,870,667.00
Net cash generated from/ (used in) financing activities		- 20,304,181.00	- 23,732,104.00
Net decrease in cash and cash equivalents		40,741,510.00	50,052,833.00
Cash and cash equivalents as of 1 January	18	53,023,807.00	2,969,974.00
Cash and cash equivalents as of 31 December	18	93,765,317.00	53,023,807.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

CORPORATE INFORMATION

Bulk Oil Storage and Transportation Company Limited ('the Company') is a company incorporated and domiciled in Ghana. The Company was incorporated to engage in strategic storage, management and distribution of bulk petroleum stocks and other supplementary business through depots sited at strategic locations across Ghana. The registered address of the Company is Plot No. 12, 1st Dzorwulu Crescent, West Airport Residential Area, Accra.

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements have also been prepared in the manner required by the Companies Act, 2019 (Act 992). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The directors do not have the ability to amend the audited financial statements after issue.

Going concern

The directors acknowledge that the Company may require further funding in order to continue as a going concern and has arranged for such funding from its shareholder to enable the Company to meet its obligations as they fall due and continue operations in the foreseeable future. The financial statements have, thus, been prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Amounts disclosed as revenue are net of returns, trade allowances and rebates.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities, as described below:

REVENUE FROM SALE OF GOODS

Revenue from petroleum products sold are recognised at a point in time when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

REVENUE FROM SERVICES RENDERED

Revenue represents invoiced value of services rendered during the year in relation to transportation and storage of petroleum products, net of value added tax. Local and export services fees are recognised based on deliveries made to customers monthly. The storage and loading and racking fees are recognised on an accrual basis once customer products are delivered to the company's storage facilities. Revenue from services rendered is at a point in time based on actual storage and loading and racking services provided to customers. Interest income is recognised as it accrues.

Revenue from these sales is recognised based on the price specified in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

FINANCING COMPONENTS

The company does not expect to have any contracts where the period between the transfer of the products to the customer and payment by the customer exceeds one year. Sales are made with a credit term of 30 days. Therefore, the Company does not adjust any of the transaction prices for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

3.2 CURRENT VERSUS NON-CURRENT CLASSIFICATION

Bulk Oil Storage and Transportation Company Limited presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
 - Held primarily for the purpose of trading.
 - Expected to be realised within twelve months after the reporting period.
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
 - It is held primarily for the purpose of trading.
 - It is due to be settled within twelve months after the reporting period.
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Bulk Oil Storage and Transportation Company Limited classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.3 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business. Net Realisable Value (NRV) is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs necessary to make the sale. Provision is made for obsolete, slow moving, and defective stocks as and when determined.

Inventory belonging to the Bulk Distributing Companies (BDCs) which are stored or transmitted by BOST as at 31 December 2021 comprise Diesel 27,214,518 litres and Petrol 75,120,692 litres at valuation rate of GH¢3.77 per litre and GH¢ 3.25 per litre respectively as indicated in the table are not included in these financial statements as they are not owned by BOST.

Third party stock/product as at 31 December 2021

PRODUCTS	QTY (litres)	Amt. per litre(GH)	AMOUNT/VALUATION
			GH¢
Diesel	27,214,518	3.77	102,598,732.86
Petrol	75,120,692	3.25	244,142,249.00
			346,740,981.86

3.3 INVENTORIES DEADSTOCK

Oil which is necessary to bring a tank into working order, is treated as a part of the related tank.

This is on the basis that it is not held for sale or consumed in a production process but is necessary to the operation of a facility during more than one operating cycle, and its cost cannot be recouped through sale (or is significantly impaired). This applies even if the part of inventory that is deemed to be an item of property, plant and equipment cannot be separated physically from the rest of inventory. It is valued at cost and is depreciated over the useful life of the related asset.

3.4 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for products sold in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment allowance.

Prepayments are recognised originally at cost and subsequently at cost less amortisation over the period. The entity applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of trade receivables over a defined period and the corresponding historical credit losses experienced within the defined period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (where data is

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

available and is obtained without undue effort or cost) affecting the ability of the customers to settle the receivables.

3.5 EMPLOYEE BENEFITS

For defined contribution schemes, the Company recognises contributions due in respect of the accounting period in profit or loss. Any contributions unpaid at the reporting date are included as a liability.

Short-term employee benefits, such as salaries, paid absences, and other benefits, are accounted for on an accrual's basis over the period which employees have provided services in the year. Bonuses are recognised to the extent that the Company has a present obligation to its employees that can be measured reliably. The Company also has a policy of awarding long standing employees for faithful service. These employee benefits are payable upon the achievement of ten years of service by an employee to the Company.

All expenses related to employee benefits are recognised in profit or loss in staff costs, which is included within operating expenses.

Other long term-employment benefits

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) which do not fall wholly due within twelve months after the end of the period in which the employees render the related service.

The amount recognised in the other long term-employment benefits provision is determined using the projected unit credit method. The liability recognised in the statement of financial position in respect of the other long term employee benefit plans is the present value of the obligation at the end of the reporting period. Actuarial gains and losses are charged or credited the statement of comprehensive income in the period in which they arise. Past service costs are also recognised immediately in the statement of comprehensive income.

3.6 CASH AND BANK BALANCES

Cash and bank balances in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash

and cash equivalents.

To the statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts when applicable.

3.7 BORROWING COSTS

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.8 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

3.9 FOREIGN CURRENCY TRANSACTIONS

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Ghana Cedis.

Transactions and balances Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

3.10 TAXATION CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Ghana Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

DEFERRED INCOME TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

OTHER TAXES

Revenues, expenses, and assets are recognised net of the amount of VAT except where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. The net amount of value added tax recoverable from, or payable to, the Ghana Revenue Authority is included as part of other receivables or payables in the statement of financial position.

3.11 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are stated at cost, less accumulated depreciation, and impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, the borrowing costs. The purchase price or construction cost is the aggregate of the amount paid and the fair value of any other consideration given to acquire the asset.

The straight-line method is adopted to depreciate the cost of items of property, plant and equipment less any estimated residual value of the assets over their expected useful lives. The Company estimates the useful lives of other assets in line with their beneficial periods. Where parts of an item of property, plant and equipment have different useful lives and is significant to the total cost, the cost of that item is allocated on a component basis among the parts and each part is depreciated separately.

	Rate (%)
Land and buildings	4
Motor vehicles	25
Operational equipment	5
Office equipment	20
Furniture and fittings	25
Computer and IT equipment	33.3
Household equipment	33.3
Marine equipment	10
Freehold land is not depreciated.	

Residual values, useful lives and the depreciation method are reviewed and, adjusted if appropriate at each reporting date. Changes are accounted for prospectively. The cost of assets built by the Company includes the cost of material and direct labour as well as any other costs directly attributable to bringing the asset to a working condition as intended by management. Once the assets are available for use, depreciation commences.

Dead-stock values have been capitalised as part of the tanks they enable for use and have been depreciated over the useful lives of the respective tanks to which they relate.

Expenditure on major maintenance or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off or is replaced and it is probable that future economic benefits associated with the item will flow to the Company, the replacement expenditure is capitalised. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other maintenance costs are expensed as incurred. The carrying amount of property, plant and equipment is reviewed for impairment whenever events or changes

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

in circumstances indicate the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period in which the item is derecognised.

3.12 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is included in profit or loss when the intangible asset is derecognised.

Intangible assets with finite lives are amortised over the useful economic life, which does not exceed five years. Useful lives and methods of amortisation for intangible assets are reviewed, and adjusted if appropriate, at each financial year end.

3.13 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3.14 TRADE AND OTHER PAYABLES

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.15 INVESTMENTS

Investment securities are measured at fair value. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within other reserves within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

3.16 FINANCIAL INSTRUMENTS CLASSIFICATION

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company classifies its financial instruments into the following categories:

- Financial assets at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

- Financial assets at fair value through other comprehensive income; and
- Financial liabilities at amortised cost.

FINANCIAL ASSETS AT AMORTISED COST

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

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

The Company holds financial assets with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

FINANCIAL LIABILITIES AT AMORTISED COST

Financial liabilities comprise trade and other payables and borrowings. All financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled, or expire.

OFFSETTING FINANCIAL INSTRUMENTS

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

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income

DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised when the rights to receive cash flows from the financial instrument have expired or have been transferred and the entity has transferred substantially all risks and rewards of ownership. A financial asset (or, where applicable, a

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

part of a financial asset or part of a group of similar financial assets is primarily derecognised (i.e., removed from Bulk Oil Storage and Transportation Company Limited's statement of financial position) when:

The rights to receive cash flows from the asset have expired.

Or

It has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company' also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.17 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs 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). The impairment test also can be performed on a single asset when the fair value less costs to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.18 LEASES IMPACT ON THE FINANCIAL STATEMENTS

The Company has adopted IFRS 16 Leases retrospectively from 1 January 2020 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. There were no reclassifications and adjustments arising from the new leasing rules recognised in the opening retained earnings on 1 January 2019.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.1%.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as of 1 January 2019.
- accounting for operating leases with a remaining lease term of less than 12 months as of 1 January 2021 as short-term leases.
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered before the transition date, the Company relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

There were no leases previously classified as finance leases at the transition date.

The Company has changed its accounting policy for leases where the company is the lessee. The new policy is described in note 24.

Measurement of lease liabilities

	GH¢
Operating lease commitments as of 31 December 2019	12,833,700
Discounted using the lessee's incremental borrowing rate of at the date of initial application	11,969,193
Of which are:	
- Current lease liabilities	4,087,908
- Non-current lease liabilities	7,881,281
	11,969,193

MEASUREMENT OF RIGHT-OF-USE ASSETS

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised on 1 January 2019.

Adjustments recognised in the statement of financial position as of 1 January 2019:

	GH¢
Right-of-use assets – Increased by	11,969,193
Accumulated depreciation increased by	11,969,193
Right-of-use assets at 1 January 2019	11,969,193
Prepayments – decrease by	11,969,193
Lease liabilities – increase by	11,969,193

The Company's leasing activities and how these are accounted for

The Company undertakes leasing of commercial office and workshop premises. Rental contracts are typically made for fixed periods of 1 to 3 years but may have extension options as described in (v) below.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used – being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

To determine the incremental borrowing rate, the company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases which does not have recent third-party financing, and
- adjusts specific to the lease, e.g., term, country, currency, and security.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are included in the lease liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

The Company's leasing activities and how these are accounted for (continued)

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

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

EXTENSION AND TERMINATION OPTIONS

Extension and termination options are included in several leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. Most extension options held are exercisable only by the company and not by the respective lessor.

3.19 AMENDED STANDARDS ADOPTED DURING THE YEAR

The Company has applied the following amendments to existing standards for the first time for their annual reporting period commencing 1 January 2019:

- IFRIC 23, 'Uncertainty over Income Tax Treatments'; and
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle.

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

3.20 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

DEFINITION OF MATERIAL – AMENDMENTS TO IAS 1 AND IAS 8

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, to clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is like omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements, and
- the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

REVISED CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting.
- reinstating prudence as a component of neutrality.
- defining a reporting entity, which may be a legal entity, or a portion of an entity.
- revising the definitions of an asset and a liability.
- removing the probability threshold for recognition and adding guidance on derecognition.
- adding guidance on different measurement basis; and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the

Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

These standards are mandatory for financial years commencing on or after 1 January 2020.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

ESTIMATES AND ASSUMPTIONS

In the process of applying the Company's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statements line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

INCOME TAXES

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during business. The Company recognises liability for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

tax assets and liabilities in the period in which such determination is made.

IMPAIRMENT OF ACCOUNTS RECEIVABLE

The Company reviews the carrying amounts of the account receivable balances to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Company makes judgments as to whether there is any observable data indicating that the receivable balance is impaired. This evidence may include observable data indicating that there has been an adverse change in the payment status of debtors.

Management uses estimates based on historical loss experience for assets with credit risk. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The methodology and assumptions used for estimating both the amount and timing of future cash flows (based on the customer's financial situation and forward-looking factors) are reviewed regularly by management to reduce any differences between loss estimates and actual loss experience. Impairment allowances are recognised when there is objective evidence to suggest that the accounts receivable balance is impaired. The accuracy of the allowances depends on how well the entity estimates future cash flows.

USEFUL LIVES OF PROPERTY, PLANT, AND EQUIPMENT

The Company determines the estimated useful lives and related depreciation charges for its equipment. This

estimate is based on projected product lifecycles for its high-tech segment. It could change significantly because of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

LEASES

The right-of-use assets are determined based on the estimated lease terms and the lease payments.

The lease terms are derived from the duration of the contractual agreements the company has with the lessors, including our best estimate of the maximum term management will opt to continue with the lease agreement under the option to extend.

The lease payments are discounted using the lessee's incremental borrowing rate, that is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

5. REVENUE	2021 GH¢	2020 GH¢
Petrol sales	340,633,871	139,549,689
Diesel sales	331,063,261	227,355,602
BOST margin	380,416,951	211,620,776
Storage fees	21,889,891	21,090,067
Loading rack fees	30,753,298	29,389,843
Product transfer fees	2,074,331	755,098
Marine Income	14,832,760	2,898,316
	1,121,664,362	632,659,391
6. COST OF SALES	2021 GH¢	2020 GH¢
Cost of petrol sold	277,032,539	120,690,229
Cost of diesel sold	310,803,675	239,893,251
Pipeline handling costs	4,647,396	3,475,610
Direct operational costs	66,857,612	46,683,024
	659,341,221	410,742,113
7. OTHER INCOME	2021 GH¢	2020 GH¢
Haulage registration fees	4,425,000	2,240,000
Interest waived by lender	-	-
Overstay fees	-	-
Rental income	77,320	102,304
Throughput Registration Fees	-	3,334,199
Exchange gain	8,391,256	1,576,378
Dividend income	-	3,526,768
Sundry Income	7,086,784	4,546,921
	19,980,360	15,326,570

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

8. ADMINISTRATIVE EXPENSES	2021 GH¢	2020 GH¢
Employee benefits	88,593,572	78,422,424
Training, welfare, and other staff costs	8,925,162	7,980,962
Insurance	3,260,234	3,581,421
Other administrative expenses	10,733,722	8,367,512
Information technology and other communication costs	1,972,680	2,714,712
Utility service costs	3,617,115	2,087,718
Repairs and maintenance	595,878	311,340
Office material supplies and other cleaning costs	3,877,122	2,170,698
Motor running costs	8,983	280,691
Operational maintenance cost	2,068,710	4,055,896
Operating lease, other rentals and rates	1,946,798	6,805,702
Travelling and transport costs	2,374,761	1,965,509
Donations	668,600	427,961
Seminars and conferences costs	4,457,970	3,478,154
Directors' emoluments	2,366,806	1,213,835
Auditor expense	781,838	244,000
Legal and other professional fees	407,761	3,242,142
Consultancy	1,804,370	1,400,272
Security	3,536,530	2,985,305
Advertising, publicity, and promotions	138,791	83,276
Depreciation of right-of-use assets	4,011,867	3,943,603
Depreciation of property, plant, and equipment	72,517,760	69,793,722
Amortization	2,183,204	2,183,204
Bank Charges	1,540,061	1,121,348
	228,012,082	208,761,410
8a. EMPLOYEE BENEFITS COMPRISE:		
	2021 GH¢	2020 GH¢
Wages and salaries	35,430,007	28,905,596
Social security costs	4,257,476	3,465,959
Allowances	41,296,782	40,616,650
Gratuity cost and other employee benefits	7,609,307	5,434,219
	88,593,572	78,422,424

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

9. FINANCE INCOME	2021 GH¢	2021 GH¢
Interest on current/savings account	1,445,413	780,256
Interest income on fixed deposits	266,990	665,505
	1,712,403	1,445,761

10. FINANCE COSTS	2021 GH¢	2021 GH¢
Interest on borrowings	5,552,801	19,310,478
Interest expense on lease liabilities	124,952	417,871
Trade finance costs	1,237,549	773,048
	6,915,301	20,083,526

11. INCOME TAX

11a. INCOME TAX CREDIT

The major components of income tax credit for the years ended 31 December 2021 and 2020 are:

	2021 GH¢	2021 GH¢
Current income tax charged	84,843,648	7,926,458
Deferred taxes:		
Relating to accelerated depreciation, tax losses and other temporary difference	-	292,935,973
Income tax credit reported in the statement of comprehensive income	-	300,862,431

11b. EFFECTIVE TAX RECONCILIATIONS	2021 GH¢	2021 GH¢
Accounting profit before tax	249,088,521	31,705,832
Current income tax charged	84,843,648	7,926,458
Tax at statutory income tax rate of 25% (2020: 25%)	62,272,130	7,926,458
Non-deductible expenses	19,791,131	-
Effect of other timing differences	3,153,449	292,935,973
At the effective income tax rate	85,216,711	300,862,431

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

11c. CORPORATION TAX					
Year of assessment	Balance at 01-Jan GH¢	Charge for the year GH¢	Payments in the year GH¢	Tax Credits GH¢	Balance at 31-Dec GH¢
up to 2017	220,060	1,264,384	(1,264,384)	(1,205,892)	(985,832)
2018	-	-	-	(1,274,207)	(1,274,207)
2019	278,157	-	-	(383,132)	(104,975)
2020	7,926,458	-	-	(747,915)	7,178,543
2021	-	85,216,711	(1,253,366)	(1,121,578)	82,841,767
	8,424,675	86,481,095	(2,517,750)	(4,732,725)	87,655,295

11d. DEFERRED INCOME TAX		
Deferred tax as presented on the statement of financial position relates to the following:		
	2021 GH¢	2020 GH¢
Accelerated depreciation for tax purposes	312,369,728	291,827,885
Other temporary differences	(70,649,068)	(53,260,674)
Net deferred income tax liabilities	241,720,660	(238,567,211)

THE MOVEMENT ON THE DEFERRED INCOME TAX LIABILITY ACCOUNT IS AS FOLLOWS		
	2021 GH¢	2020 GH¢
On 1 January	(238,567,211)	54,368,762
Credit for the year	(3,153,449)	(292,935,973)
On 31 December	(241,720,660)	(238,567,211)

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

12. Property, plant, and equipment												
	Land and Buildings	Motor Vehicles	Operational Equipment	Office Equipment	Furniture & Fittings	Computer & Equipment	Household Equipment	Marine Equipment	CWIP Buildings	CWIP Pipelines & Tanks	Total	
COST	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
As at 1 January 2021	325,349,781.00	2,735,800.00	788,265,260.00	231,097.00	903,552.42	1,168,371.00	59,910.00	181,013,840.00	66,571,310.00	41,856,262.00	1,408,155,183.42	
Disposal	(290,000.00)										(290,000.00)	
Additions	27,194,383.00	921,200.08	380,253.45	187,990.36	305,549.07	2,001,236.77	-	-	4,154,683.00	45,466,492.00	80,611,787.73	
Amounts as at 31 December 2021	352,544,164.00	3,367,000.08	788,645,513.45	419,087.36	1,209,101.49	3,169,607.77	59,910.00	181,013,840.00	70,725,993.00	87,322,754.00	1,488,476,971.15	
DEPRECIATION												
Accumulated as at 1 January 2021	10,914,000.00	683,950.00	39,413,263.00	46,219.00	225,888.00	389,067.00	19,950.00	18,101,384.00	-	-	69,793,721.00	
Disposal	(72,500.00)										(72,500.00)	
Charge for the year	12,661,474.00	859,875.00	39,432,276.00	83,818.00	302,274.00	1,056,709.00	19,950.00	18,101,384.00			72,517,760.00	
As at 31 December 2021	23,575,474.00	1,471,325.00	78,845,539.00	130,037.00	528,162.00	1,445,776.00	39,900.00	36,202,768.00	-	-	142,238,981.00	
Carrying amounts as 31 December 2021	328,968,690.00	1,895,675.08	709,799,974.45	289,050.36	680,939.49	1,723,831.77	20,010.00	144,811,072.00	70,725,993.00	87,322,754.00	1,346,237,990.15	
Carrying amounts as 1 January 2021	314,435,781.00	2,051,850.00	748,851,997.00	184,878.00	677,664.42	779,304.00	39,960.00	162,912,456.00	66,571,310.00	41,856,262.00	1,338,361,462.42	

No borrowing cost was capitalised during the year (2021 : Nil).

No property, plant and equipment has been used as collaterals for any borrowings held as at the reporting date

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

13. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)												
2020												
COST	Land & Buildings	Motor Vehicles	Operational Equipment	Office Equipment	Furniture & Fittings	Computer & IT Equipment	Household Equipment	Marine Equipment	CWIP Buildings	CWIP Pipelines and Tanks	Total	
GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS
As at 1 January 2020	170,110,979	4,037,233	836,803,971	1,464,933	1,907,193	1,406,066	1,912	73,025,000	63,018,143	-	1,178,775,430	
Accumulated Depreciation as at 1 Jan 2020	(25,535,158)	(3,321,789)	(251,548,903)	(1,040,732)	(1,569,907)	(1,372,628)	(1,912)	(43,815,000)	-	-	(328,206,029)	
Carrying amounts as at 1 Jan 2020	144,575,821	715,444	612,255,068	424,201	337,286	33,438	-	29,210,000	63,018,143	-	850,569,401	
Revaluation Difference	179,436,179	2,020,356	176,010,192	(252,111)	312,204	289,762	59,910	151,803,840	-	-	509,680,332	
Revalued amounts	324,012,000	2,735,800	788,265,260	172,090	649,490	323,200	59,910	181,013,840	63,018,143	-	1,360,249,733	
Additions	1,337,781	-	-	59,007.26	254,062.42	845,170.59	-	-	3,553,167	41,856,262	47,905,450	
Cost/Revalued Amounts as of 31 December 2020	325,349,781	2,735,800	788,265,260	231,097.26	903,552.42	1,168,370.59	59,910	181,013,840	66,571,310	41,856,262	1,408,155,183	
DEPRECIATION												
Accumulated Depreciation as at 1 Jan 2020	25,535,158	3,321,789	251,548,903	1,040,732	1,569,907	1,372,628	1,912	43,815,000	-	-	328,206,029	
Adjustment for Revaluation	(25,535,158)	(3,321,789)	(251,548,903)	(1,040,732)	(1,569,907)	(1,372,628)	(1,912)	(43,815,000)	-	-	328,206,029	
Charge for the year	10,914,000	683,950	39,413,263	46,219	225,888	389,067	19,950	18,101,384	-	-	69,793,722	
As at 31 December 2020	10,914,000	683,950	39,413,263	46,219	225,888	389,067	19,950	18,101,384	-	-	69,793,722	
Carrying amounts as at 31 Dec. 2020	314,435,781	2,051,850	748,851,997	184,878	677,664	779,303	39,960	162,912,456	66,571,310	41,856,262	1,338,361,461	
Carrying amount as at 1 Jan. 2020	144,575,821	715,444	612,255,068	424,201	337,286	33,438	-	29,210,000	63,018,143	-	850,569,401	

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

14. INTANGIBLE ASSETS	2021 GH¢	2020 GH¢
Cost		
At 1 January	10,916,020	10,916,020
Additions	-	-
At 31 December	10,916,020	10,916,020
Accumulated Amortization		
On 1 January	6,642,777	4,459,573
Charge for the year	2,183,204	2,183,204
At 31 December	8,825,981	6,642,777
Net book amount on 31 December	2,090,039	4,273,243
15. INVESTMENT SECURITIES	2021 GH¢	2020 GH¢
At 1 January	117,558,939	133,233,464
Fair value (loss)/gains on investment securities recognized in other comprehensive income	25,379,240	(15,674,525)
Fair Value as at 31 December	142,938,179	117,558,939
Housing scheme investment	-	414,165
	142,938,179	117,973,104
16. INVENTORIES	2021 GH¢	2020 GH¢
Diesel	131,503,312	39,844,116
Petrol	40,202,334	32,052,210
Kerosene	-	3,794,483
Crack fuel	-	1,671,162
ATK/DPK	-	89,609
Crude oil	-	13,831,232
Residue	-	4,798,831
Stationery & Office Supplies	6,940	4,625
	171,712,586	96,086,267

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

17. TRADE AND OTHER RECEIVABLES		
	2021	2020
	GH¢	GH¢
Net trade receivables	317,771,250	200,751,945
Prepayments	-	811,395
	317,771,250	201,563,340
NET TRADE RECEIVABLE COMPRISES:		
Gross trade receivable from customers	530,813,947	413,794,642
Less credit loss allowance:		
At 1 January	2(13,042,697)	(213,042,697)
Charge for the year	-	-
Net receivable from customers	317,771,250	200,751,945
18. CASH AND BANK BALANCES		
	2021	2020
	GH¢	GH¢
Cash balances	467,813	144,804
Bank balances	93,297,504	51,879,002
	93,765,317	53,023,806
18a. CASH AND CASH EQUIVALENTS		
For the purpose of the statement of cash flows, the period end cashes, and cash equivalents comprise the following:		
	2021	2020
	GH¢	GH¢
Cash and bank balances (Note 18)	93,765,317	53,023,806
Bank overdraft (Note 20)	93,765,317	53,023,806

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

19. STATED CAPITAL/SHARE CAPITAL

The number of authorised shares of the Company is 1,000,000 ordinary shares of no-par value of which the following have been issued for cash consideration.

	2021 Number issued	2021 Amount GH¢	2020 Number issued	2020 Amount GH¢
Issued for cash consideration	<u>1,000,000</u>	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>

There are no unpaid liabilities on any share and there are no treasury shares.

20. LOANS AND BORROWINGS

	2021 GH¢	2020 GH¢
Government of Ghana relief	97,676,314	97,676,314
Government of Ghana Relief (EXIM Bank – US)	179,304,904	179,304,904
Fidelity Bank Loan	-	4,208,643
Fidelity NPA Loan	39,491,094	64,606,791
Government of Ghana Relief)	709,936,685	709,936,685
Consolidated Bank Ghana	22,350,788	12,138,563
	1,049,064,509	1,068,176,623

EXIM Bank - US

Borrowings represent a long-term loan facility of US\$109,533,785. This facility bears interest at a rate of 6 months LIBOR plus 3% per annum. A balance of Ghs179,304,904 represent what the Ghana Government is servicing.

In 2007, the Company entered into a credit agreement with Citibank N.A. and Export –Import Bank of the United States of America with Government of Ghana as guarantor for an amount of US\$123.44 million for the purchase and construction of oil storage tanks and pipelines.

The details of the loan facility are as follows:

Export-import Bank	US\$109.54 million
Citibank N.A.	US\$13.9 million

The loan from Citibank N.A. has been repaid. However, the Export –Import Bank loan facility which is for a period of five (5) years with a 24-month moratorium is outstanding. The Company's obligation under the loan has been guaranteed unconditionally by the Ministry of Finance of the Republic of Ghana and payment is currently being affected by Government of Ghana.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

GOVERNMENT OF GHANA RELIEVES -

The Government of Ghana relief represent a medium-term loan facility of GHS 97,480,209 from standard Chartered Bank, which Government of Ghana has settled on behalf of the Company.

In addition, the Government of Ghana has settled the Ghana cedi equivalent of GH¢709,936,685 to various suppliers for petroleum product on behalf of BOST.

The company has applied to the Ministry of Finance for the conversion of these interventions to Equity.

FIDELITY BANK LOAN

Bank borrowings represent a long-term loan. This facility bears an interest rate of 2% above the lender's base rate. This loan is fully repaid as of 31 December 2021.

FIDELITY NPA LOAN

Bank borrowings represent a medium-term loan of US\$20,000,000. This facility bears interest at a rate of 6% per annum plus a minimum spread of 400 basis points.

CONSOLIDATED BANK GHANA

Bank borrowings represent a long-term loan. This facility bears an interest rate of 14% per annum.

21. TRADE AND OTHER PAYABLES		
	2021 GH¢	2020 GH¢
Trade accounts payable	870,818,614	882,172,304
The Company's trade and other payables approximate their fair values due to their short-term nature.		
22. EMPLOYEE BENEFIT OBLIGATIONS		
	2021 GH¢	2020 GH¢
Long service awards as at 1 January	1,682,956	1,267,942
Changes in actuarial assumptions	1,297,410	52,418
Interest cost	255,809	192,727
Current service costs	357,329	169,869
Long service awards as at 31 December	3,593,504	1,682,956
Employee benefit obligation relates to the Company's policy of awarding long standing employees for serving the company for ten years and five years thereafter till 25 years of service.		

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

NET BENEFIT EXPENSE RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME IN RELATION TO OTHER LONG-TERM EMPLOYEE BENEFITS ARE AS FOLLOWS:

	2021 GH¢	2020 GH¢
Changes in actuarial assumptions	1,297,410	52,418
Interest cost	255,809	192,727
Current service costs	357,329	169,869
	1,910,547	415,014

In determining the other long term employee benefits obligation, actuarial assumptions employed were the annual salary growth rate, the staff turnover rate and the discount rate.

	2021	2020
Salary growth rate:	5%	5%
Increase/(decrease) in other long-term benefits		
Staff turnover rate:	7%	7%
Increase/(decrease) in other long-term benefits		
Discount rate:	15.2%	16.5%
Increase/(decrease) in other long-term benefits		

The analysis was based on changing one assumption whilst the others were held constant. It may not be representative of changes in the liability recognised as it is unlikely that the actuarial assumptions would change in isolation of one another as they may be correlated.

23. PROVISIONS

	2021 GH¢	2020 GH¢
Provision for litigations	69,553,574	69,553,574

PROVISION FOR LITIGATIONS

The Company's legal counsel believed the above legal suits had an above 50% possibility that the claims will be settled against the Company. Thus, the most likely outcome method was applied in estimating the litigation provisions.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

24. LEASES

(i) Amounts recognised in the statement of financial position relating to leases:

	2021 GH¢	2020 GH¢
A. RIGHT-OF-USE ASSETS		
COST		
Amount recognized as lease liabilities	11,969,193	11,969,193
Amount previously recognized as prepayments	-	-
At 1 January	11,169,193	11,969,193
Additions	-	-
	11,169,193	11,969,193
ACCUMULATED AMORTIZATION		
At 1 January	(7,957,326)	(4,113,723)
Charge for the year	(4,113,723)	(3,843,603)
At 31 December	(11,969,193)	(7,957,326)
NET BOOK AMOUNT AT 31 DECEMBER	-	4,011,867
24. LEASES (CONTINUED)		
	2021 GH¢	2020 GH¢
B. LEASE LIABILITIES		
Current	-	5,302,086
Non-current	-	-
	-	5,302,086

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

In the previous year, the Company did not recognize any lease assets and lease liabilities

(ii) Amounts recognized in the statement of comprehensive income

Depreciation charge on right-of-use asset

Depreciation charge on right-of-use asset (Note 13b)	4,113,723	3,843,603
Finance cost (Note 11)	124,952	417,871

(iii) The movement in lease liabilities are as follows;

At 1 January	5,302,086	8,781,224
Addition during the year	-	-
Finance cost (Note 11)	124,952	417,871
Principal lease payments	(4,489,176)	(3,897,010)
Exchange loss	937,861	-
At 31 December	-	5,302,086

25. OTHER RESERVES

	Land	Revaluation gain/loss on investment securities & Revaluation surplus	Total
	GH¢	GH¢	GH¢
At 1 January 2020	43,356,215	541,029,382	584,385,597
Fair value gain	-	25,079,240	25,079,240
Revaluation Surplus	-	-	-
At 31 December 2021	43,356,21	566,108,622	609,464837

The GH¢43,356,215 million shown under land relates to a contribution in the form of land by the Government of Ghana. Revaluation on investment securities relates to changes in the fair value of certain investments in equity securities

26. RETAINED EARNINGS

Retained earnings relates to cumulative income retained. The amount is available for distribution to members subject to regulations imposed by Companies Act, 2019 (Act 992).

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is managed by the finance department, in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to volatile financial markets. Short-term financial investments are managed to generate lasting returns.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

The most significant financial risks to which the Company is exposed are described below:

MARKET RISK ANALYSIS

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk which result from both its operating and investing activities.

PRICE RISK

The Company's exposure to equity securities price risk arises from investment securities held by the Company. These investment securities are measured at fair value through profit or loss. These investment securities are publicly traded on the Ghana Stock Exchange.

INTEREST RATE RISK

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing and investing activities.

The Company has no interest rate risk as its investments and loans were held at fixed interest rates.

FOREIGN CURRENCY RISK

Most of the Company's transactions are carried out in Ghana Cedi. However, the sourcing of petroleum products is carried out in United States Dollar and Euro. This means that the Company is exposed to variations of the exchange rates to the United States Dollar and Euro.

At 31 December 2021, if the Ghana cedi had weakened by 11% (2020:11%) against the United States Dollar with all other variables held constant, post-tax profit /(loss) for the year would have been GH¢ 145,845,911 (2020: GH¢ 1,707,210.88 lower/higher mainly as a result of cash and bank balances and borrowings denominated in United States Dollars.

CREDIT RISK ANALYSIS

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by requiring customers to pay some advances before sale of goods. This, therefore, substantially reduces the company's credit risk in this respect.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, many minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17, (trade and other receivable excluding prepayment). The fair value of these financial assets approximates their carrying amounts due to their short-term nature.

The Company does not hold collateral as security.

The Company evaluates the concentration of risk with respect to trade receivables as high, as its customers are largely operated in the downstream oil sectors or are Government of Ghana related entities.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

The table below shows the Company's maximum exposure to credit risk by class of financial instrument:

FINANCIAL INSTRUMENTS BY CATEGORY		
	2021 GH¢	2020 GH¢
Financial assets at amortised cost:		
Trade and other receivables (excluding prepayments)	317,771,250	200,751,945
Cash at bank	93,765,317	53,023,807
	411,536,567	253,775,752
Financial assets at fair value through other comprehensive income:		
Investment securities	142,638,179	117,558,939
	554,174,746	371,334,691

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates based on the payment profiles of customers and the credit terms given to them over a stipulated period before 31 December 2021 or 1 January 2022 respectively are as follows:

31 December 2021	Aged 1-180 days	Over 180 days	Total
Expected loss rate	0%	71.98893%	
Gross carrying amount	35,958,223	295,938,130	331,896,353
CREDIT LOSS ALLOWANCE	-	213,042,697	213,042,697

LIQUIDITY RISK ANALYSIS

The company's objective is to maintain a balance between continuity of funding and flexibility using customer's deposits, loans and other payables.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments):

Year ended 31 December 2021	Within 1 year GH¢	1 to 5 years GH¢	Total GH¢
Borrowings	33,953,936	27,887,946	61,841,883
Trade accounts and other payable	820,518,614	-	820,518,614
	854,472,550	27,887,946	882,360,497

NOTES TO THE FINANCIAL STATEMENTS CONT'D

For the year ended 31 December 2021

28. RELATED PARTY DISCLOSURES

The Company is solely owned by the Government of Ghana.

Compensation of those charged with governance

	2021 GH¢	2020 GH¢
Directors' emolument	2,366,806	1,213,835

29. FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company's investment securities (Note 15) are measured using quoted prices on the Ghana Stock Exchange.

30. POST-REPORTING DATE EVENTS

The World Health Organisation characterized the spread of Covid-19 as a pandemic on 11 March 2020. Measures taken by government to contain the spread of COVID-19 infections are expected to continue to impact economic activities. The directors and management of the Company have taken several measures to monitor and mitigate the effects of COVID-19, such as safety and health measures of the Company's employees (such as social distancing and working from home, where appropriate). At this stage, the impact of COVID-19 and actions taken by government to contain it has not significantly affected the Company's intention to carry on its business as a going concern. The directors and management will continue to follow the various government policies and advice, in parallel, and ensure that the Company's operations continue in the best and safest way possible. The directors are not aware of any other material events that have occurred between the date of the statement of financial position and the date of this report.

31. CONTINGENT LIABILITIES LEGAL CLAIM CONTINGENCY

The Company is presently involved in certain legal proceedings. These court cases arose in the normal course of business. In the director's opinion, after taking appropriate legal advice, the outcome of these of these legal claims will not give rise to any significant loss.

32. CAPITAL COMMITMENTS

The Company had no capital commitments on 31 December 2021. (2020: Nil).

THE BOST NETWORK



Export to landlocked countries





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