BOST

BULK OIL STORAGE AND TRANSPORTATION LIMITED COMPANY

2022
ANNUAL REPORT

BOST

PASSION • PERFORMANCE • INTEGRITY

BULK OIL STORAGE AND TRANSPORTATION LIMITED COMPANY

ANNUAL REPORT 2022


ST-312

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FOR THE YEAR ENDED 31 DECEMBER 2022

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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

REGISTERED OFFICE:

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

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

NOTICE OF
ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTICE is hereby given that the 2nd Annual General Meeting (AGM) of the Bulk Oil Storage and Transportation Limited Company (BOST) will be held on Thursday 17th August 2023 at 10am at the BOST Head Office, South Legon, Accra to transact the following business:

AGENDA

1. Consideration of the Reports of the Directors and the Auditors of the Company for the year ended 31st December 2022;
2. Consideration of the Financial Statements of the Company for the year ended 31st December 2022;
3. Authorization of the Directors to fix the remuneration of the Auditors; and
4. Fixing of the remuneration of the Directors.

Dated at Accra, this 21st day of July 2023.

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 in 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.

William Owusu Demitia
Company Secretary-BOST

ADDRESS BY THE **HON. MINISTER FOR ENERGY**

HON. DR. MATTHEW OPOKU PREMPEH - MP

The Minister for State Enterprises, The Director General of SIGA,
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 gives me great pleasure to be here with you today for this significant moment in the journey of BOST.

Just about a year ago at the maiden Annual General Meeting, I commended the Board of Directors and the Management of BOST for their remarkable achievement in transforming the company from a decade of losses to profitability. Today, I am delighted to join you once again for this significant occasion, the Annual General Meeting (AGM), which holds great importance for the corporate governance of BOST.

I have had the opportunity to review the company's performance over the past year, and I must express my satisfaction and admiration for the financial accomplishments of the company's management within such a short timeframe. BOST has transitioned from a negative equity position of (GHS 248,190,799) in 2021 to a positive equity position of GHS 86,466,542 in 2022. This positive equity now places BOST on a sound footing to enable the company pay dividends to the government.

It is very noteworthy that after making a profit of GHS161 million in 2021, the company has significantly increased its profit to GHS 342 million in 2022, an impressive growth of 112%!

On behalf of the government and the people of Ghana I would like to express my sincere appreciation to the Board of Directors, Management and staff of BOST. The progress made by BOST exemplifies the path we should continue to follow, and we encourage you to increase the momentum to sustain this performance and strive for even greater heights. BOST's success contributes to the fiscal policies of the government and supports our national growth and development agenda. It is my expectation that other State-Owned Enterprises (SOEs) will learn from the BOST story and replicate this performance. This, I believe will ensure that government can effectively execute its flagship programs using revenues generated by its SOEs.

It is worth noting that the BOST Margin saw an upward revision from 7 to 9 pesewas per litre in 2022, facilitating the commissioning and initiation of major works. These include the

- Commissioning and operationalization of the Tema-Akosombo-Petroleum Pipeline.
- Completion of the Kumasi Rehabilitation Project.
- Repair and commissioning of tanks at Accra Plains Depot (APD).
- Construction of Bulk Road Vehicles (BRVs) park at Accra Plains Depot.
- Completion of Tema-Kumasi Pipeline Front End Engineering Design (FEED).

These transformations have led to improved operational efficiency and has set the company on a trajectory for growth.

I am aware that in pursuit of maintaining this positive trajectory, the management of the company has sought a debt-equity swap, which is currently awaiting approval from the Ministry of Finance. I urge SIGA and the Ministry of Public Enterprises to support BOST to ensure that this objective is fully achieved.

I also acknowledge the political dynamics surrounding the company's operations. It appears that whenever the efficiency of BOST improves, it challenges the prosperity of certain private stakeholders, leading to unfounded allegations and calculated mudslinging against BOST to bring back the former inefficiencies. Indeed, the government is fully aware of these tactics aimed at derailing the company, and we wish to assure you that, we are fully behind you and your noble efforts to consolidate the gains that have been made.

Regarding fuel security, the government is committed to equipping BOST with the necessary resources to fulfil its mandate fully. We are actively considering different modalities for achieving this goal. BOST has been at the centre of the Gold for Oil policy, which seeks to provide fuel to Ghanaians at competitive prices by reducing our dependence on forex for import of petroleum products.

Indeed, BOST has played a major role in the success of this programme. The government is also working towards retooling the Tema Oil Refinery (TOR) to enable it to refine crude oil. We believe that there are significant gains that can be achieved through the collaboration between BOST and TOR. An effectively functioning TOR will complement BOST's efforts by refining products and delivering them for storage and distribution, thereby alleviating the burden of high prices for Ghanaian petroleum consumers.

I extend my heartfelt congratulations to the Board of Directors, the Management and staff of BOST for achieving an impressive 113% increase in profit compared to the previous year. I urge the board and management to remain steadfast in their efforts to realize the company's vision.

The remarkable performance of BOST reinforces my firm belief that State-Owned Enterprises can generate profits, pay dividends and make significant contributions to the government's fiscal policies with the right leadership, attitude and balance.

The BOST model should serve as an exemplary example for all SOEs. I have full confidence that the Public Enterprises Ministry and SIGA will spare no effort in encouraging and leading other SOEs to fulfil their mandates and visions.

By maintaining a clear focus, we can collectively contribute to making Ghana a proud and prosperous nation. Thank you for your valuable time and attention.

May God continue to bless our homeland Ghana.

REPUBLIC OF GHANA

MINISTRY OF PUBLIC ENTERPRISES

ADDRESS BY THE **HON. MINISTER FOR PUBLIC ENTERPRISES**

HON. JOSEPH CUDJOE - MP

Minister for Energy, The Director General of SIGA, Chairman and Members of the Board of Directors of BOST, The Managing Director and Members of the BOST Management Team, Distinguished ladies, and gentlemen

On behalf of the Government and the Ministry of Public Enterprises, I would like to congratulate the Board and Management of BOST for organizing the 2023 Annual General Meeting (AGM). This meeting affords the shareholders the opportunity to assess the financial and operational well-being of the company, address critical challenges and develop strategies aimed at driving performance.

Standing here gives me great joy, considering my longstanding association with BOST for more than a decade; from my time as a Member of the Select Committee on Mines and Energy in Ghana's Parliament in 2013, through my appointment as Deputy Minister for Energy in 2017 and now as Minister for Public Enterprises. Throughout these years, BOST has faced numerous challenges, including financial and operational scandals, inefficiencies, high indebtedness, management issues, and consistent losses, making it unattractive for potential investors. These challenges contributed significantly to the company's negative retained earnings.

Today, the story of BOST is very different, and the problems of the past years have been surmounted. Indeed, having recorded its first ever profit in more than a decade of GHS 161 million in 2021, the year 2022 saw an increase of 113% culminating in a net profit of GHS 342 million. It is also noteworthy that BOST recorded a positive equity of GHS 86 million; the first positive equity in the last 11 years. As Minister for Public Enterprises, BOST's turnaround is a significant development aligned with our goal of addressing long-standing challenges that have bedeviled State Owned Enterprises and prevented them from fulfilling their full potential.

In line with my mandate, my office, in collaboration with SIGA and the Ministry of Finance, has worked to enhance the capabilities of Boards and CEOs through corporate governance training and we have provided recommendations for the restructuring and turnaround of SOEs, as we have witnessed with BOST. We have also introduced the Public Enterprises League Table (PELT), which promotes competition among public enterprises. Ladies and gentlemen, the evidence before me gives me great confidence that BOST will significantly improve on the 8th Position attained in 2021.

The BOST model has vindicated my preposition during my visits to various public enterprises last year, that with the right balance, management of SOEs can make huge profit from the substantial assets they possess. Unfortunately, some SOEs are unable to leverage on their assets effectively to break even, generate sufficient revenue, and pay dividends to the government. It is crucial for management to embrace smart work by leveraging technology, improving services, and innovating products in alignment with the government's digitalization agenda.

I am aware that BOST is at the twilight of the implementation of their 2020-2024 Strategic Plan which aims to transform the company from a loss-making entity to a profitable one that pays dividends. I commend management for being able to achieve this goal, two years ahead of schedule.

I reaffirm my commitment to supporting BOST in diverse ways to sustain this remarkable achievement.

Once again, I commend the Board, Management and staff for their dedicated efforts in turning around BOST. Your achievements serve as a model for other state enterprises to learn from. I urge you to continue demonstrating excellence for the benefit of the government and the citizens of Ghana.

Thank you.

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

AMBASSADOR EDWARD BOATENG

Honourable Ministers of State, Board of Directors of BOST, Senior Management and staff of BOST present, Distinguished Shareholder, Invited Guests, Ladies and Gentlemen.

I bring you warm greetings from the State Interests and Governance Authority. It gives me great pleasure to be here today for the 2nd AGM of BOST, and for the opportunity to make a few remarks on this occasion.

I would like to express our appreciation to the Board, Management and staff of BOST for their commendable efforts in steering the company through the challenges posed by the impact of the Russian invasion on Ukraine on Ghana's economy, as well as the constraints of funding of products import due to the inability of local banks to support the business with the requisite Letters of Credit. Indeed, GDP growth is estimated to have slowed to 3.2% in 2022, down from 5.4% in 2021. As you are aware, the banking sector vulnerabilities increased due to the cedi depreciation and the impact of the Domestic Debt Exchange Program (DDEP) which was concluded in February 2023.

Despite all these challenges, BOST has demonstrated resilience and commitment to delivering its mandate and ensuring that the shareholder receives value from the investment. Reflecting on the past year, it is gratifying to note the significant progress made by BOST. During the 2021 Annual General Meeting, I was impressed by the remarkable turnaround of the company when BOST reported a profit of GHS160,718,361. After reviewing BOST's 2022 audited accounts, and noticing the profit of GHS 342,494,604 after tax, my confidence in the potential of State-Owned Enterprises was increased.

We commend the Board, Management and staff for transitioning BOST from negative equity position of GHS248,190,799 in 2021 to a positive position of GHS86,466,542.

While acknowledging the existing fiscal and infrastructural challenges, we believe that BOST is on the right path for further operational and financial growth. By fostering innovative thinking, perseverance, and teamwork among all stakeholders, we can achieve even more.

Our primary objective is to promote performance management in Specified Entities (SEs) within the framework of government policies, ensuring their efficient, effective, and profitable operations that contribute to Ghana's socio-economic development. As a central oversight body, SIGA remains dedicated to collaborating with BOST on its turnaround strategy.

It is my understanding that BOST's 2021 Performance Contract Evaluation report, which will soon be published, was a significant improvement over that of 2020. The 2022 Evaluation process is also ongoing, and BOST has already subjected itself to the initial evaluation visit as far back as 20th June 2023. I commend BOST for this high level of performance and urge you to continue.

As the success story continues, I encourage BOST to begin to consider some returns to the shareholder in the form of dividends. This will crystallize your success story and inspire confidence in the SOE space as an engine of Ghana's economic growth.

At SIGA, we aim to change the narrative from 'business as usual' within the SOE space and ensure that accountability and a profit-oriented mindset is inculcated in all the Entities we oversee. We are poised to work with you closely in ensuring value for money to make you a formidable force in the energy space of Ghana and beyond. Looking ahead, we maintain an optimistic outlook for BOST as it continues this new path. We believe the company will continue to produce long-term value for all stakeholders and move closer to its vision of becoming the leading fuel and logistics company in the sub-region.

Thank you.

BOARD OF **DIRECTORS**

FOR THE YEAR ENDED 31 DECEMBER 2022

MR. EKOW HACKMAN
BOARD CHAIRMAN

Mr Ekow Hackman completed his secondary and tertiary education at the King's School, Canterbury (UK) and the London School of Economics (LSE) 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 Agro-processing.

His early working experience included working as a trainee at the commodity brokering companies, V. Berg & Sons and EDF & Man in London, UK 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 Manager 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 founding 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 2022

MR. EDWIN ALFRED PROVENCAL,
MANAGING DIRECTOR

Edwin Alfred Provencal before his appointment as the Managing Director of the Bulk Oil Storage and Transportation (BOST) Company Limited was the Technical Advisor to the then Minister for 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.

In April 2023, he was conferred with an Honorary Degree of Doctor of Advanced Studies (DAS) in "Business Administration" by the Universidad Azteca, Mexico.

BOARD OF **DIRECTORS**

FOR THE YEAR ENDED 31 DECEMBER 2022

MR. EMMANUEL TANDOH

On June 2023, Mr. Emmanuel Tandoh was appointed as the Deputy Chief Executive Officer, Engineering, Operations and Technical at the Bui Power Authority. He holds a BSc degree in Engineering from Kwame Nkrumah University of Science and Technology (KNUST). He also has an EMBA degree with a specialization in Finance from the University of Ghana Business School, Legon.

Spanning a career experience of over 25 years in various companies including Ghacem, Takoradi Polytechnic and Nestle Ghana.

Mr. Tandoh was appointed a Board Member of The Bulk Oil Storage and Transportation Company Limited (BOST) in 2021. Mr. Tandoh is a Christian and married with three children.

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 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.

BOARD OF **DIRECTORS**

FOR THE YEAR ENDED 31 DECEMBER 2022

MRS. JOYCE AGYEMAN ATTAFUAH

Joyce Agyeman Attafuah started her tertiary education at the University of Cape Coast with a Bachelor of Art degree in Geography with Economics and later added a Diploma in Education. She proceeded with a Preliminary Law course (PLC I & PLC II) at the Ghana School of Law, Accra and later completed Ghana School of Law as a B.L. (BARRISTER-AT-LAW) (Barrister & Solicitor of the Supreme Court of Ghana).

She is a partner at Kulendi, Amponsah & Attafuah Law Firm in Accra. Before becoming a named partner, she worked as an associate solicitor and barrister at her current Law firm. She worked at Readwide Limited Ghana as a Customer Service Manager as well as a Sales and Exhibition Manager.

Mrs. Attafuah is presently a Council Member of UDS-Tamale, Board Member of Legal Aid Board, the Board Chair of Ghana Hostels Limited, Assembly-woman (Government Appointee), Asante Akyem South District Assembly, Juaso and the Vice President, Asante Professionals Club.

MR. 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.

BOARD OF **DIRECTORS**
FOR THE YEAR ENDED 31 DECEMBER 2022

HON. DR. NANA YAW AFRIYIE - 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 BSc and an MA from the University of Ghana, an MPH from the University of Leeds UK, and a postgraduate certificate from the Oxford University UK.

Nana Ayew Afriye was 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.

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 a product of Takoradi Polytechnic (1977-1979).

She has been Chief Executive Officer and the Proprietor of the Takoradi Beach Hotel from 2009 to date. 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.

BOARD OF **DIRECTORS**
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

He is also the Board Chairman of State Housing Company.

MANAGEMENT **TEAM**
FOR THE YEAR ENDED 31 DECEMBER 2022

Mr. Edwin Provencal
Managing Director

Dr. Moses Assem
Deputy Managing Director

Mrs. Harriet Amoah
General Counsel & Head of Legal Services

Mr. Bismark Adom-Dankwah
GM - Finance

Mr. Augustine Appiah
GM - Human Resource & Administration

Mr. Ato Amissah Wilson
GM - Corporate Planning

Mr. Albert K. Mantey
GM - Fuel Trade

Mr. Josiah Kwamina Attah
GM - Terminal & Transmission

Mr. Nicholas Samari
GM - Assets & Infrastructure

Mr. Bagnaba Van-Gogh
GM - Field Operations

Mr. Edmund Acquaah
Head - Internal Audit

Mr. Marlick Adjei
Head - Corporate Communications & External Affairs

Mr. Fred Ayarkwa
Technical Advisor to the MD

Mr. Kwabena Brobbey Appiah
Head - IT

Mr. Prince Charles Afun
Acting Head - Procurement & Supply Chain

Ms. Maame Pokua Appiah
Executive Assistant to the MD

STATEMENT BY **BOARD CHAIRMAN**

MR. EKOW HACKMAN

Good morning, ladies, and gentlemen.

I would like to extend a warm welcome to all of you gathered here today for the 2023 Annual General Meeting of the Bulk Oil Storage and Transportation Limited Company (BOST). A special welcome goes to our distinguished guests, the Honourable Minister for Energy, Dr. Matthew Opoku-Prempeh, the Honourable Minister for Public Enterprises, Hon. Joseph Cudjoe, and the Director-General of the State Interests and Governance Authority, Ambassador Edward Boateng. I am also pleased to welcome my fellow board members as well as members of management.

Consolidating the gains

Honourable Ministers, Ladies and Gentlemen, today's meeting is the second Annual General Meeting to be held by the company since its establishment in 1993. The first landmark meeting was held last year following the turnaround in BOST's fortunes in 2021 with the declaration of profits by BOST for the first time since 2011. Indeed, today marks a huge step in the consolidation of the success achieved in 2021 and is testimony to the sound foundations that have been laid to ensure the sustainability of this performance into the future.

The transformation that BOST has undergone over the past three years is truly remarkable. The company has been turned from a heavily indebted one to a highly profitable one. In 2022 BOST increased its net profit by 112 percent to GHS 342 million from GHS 161 million in 2021. This performance should be viewed in the context of a miserable run of losses which had been recorded for more than a decade until 2021.

Ladies and Gentlemen, the Board expects that the declaration of profits by BOST should become an annual tradition to be celebrated by all and sundry.

Central to our transformation has been the restoration of our business model, which involves the effective utilization of our strategically located fuel depots connected by a network of pipelines and barges. The revival of these assets has enabled us to deliver fuel products securely and cost-effectively to consumers across the country. Through the dedicated efforts of our management and workforce, we have increased significantly the revenue generating assets of the company to 97 percent from a trough of 34 percent in 2017. We are committed to ensuring that 100 percent of our assets are generating revenue by the end of 2023.

The increase in the BOST Margin from 7 pesewas to 9 pesewas in December 2022 provided us with the necessary resources to repair and maintain our facilities, many of which are situated in areas where the private sector is absent. This is enabling the implementation of the One-BOST System and the Zonalization Policy by the industry regulator, the National Petroleum Authority, ensuring that fuel prices remain uniform across the country.

Honourable Ministers, Ladies and Gentlemen, the Board of Directors has made it its mission to strengthen the Governance and Compliance of the company, and this continued in 2022 with the approval of seven new policies as follows: Learning and Development Policy, Talent Management Policy, Investment Policy, Resourcing Policy, Car Ownership Policy, Management Development Plan and Employee Handbook all of which will guide the delivery of our mandate. Compliance with company policies as well as other statutory regulations is reviewed on a continuous basis.

Business and Economic Environment

2022 was a challenging year for the international and domestic economy, with severe price shocks emanating from Russia's invasion of Ukraine compounding the lingering effects of the dislocation of supply chains caused by the Covid-19 pandemic.

As a result, Ghana's Real GDP growth slowed to 3.3 percent in 2022, down from 5.4 percent in 2021.

A "flight to safety", triggered by the above events, saw a strengthening of the US Dollar and a concomitant weakening of emerging market currencies. The Cedi depreciated by 54.2 percent against the US Dollar in 2022 compared to a depreciation of 4.1 percent in 2021, with inflation at the end of 2022 recorded at 54.1 percent as compared to 12.6 percent at the end of 2021.

The downstream oil sector in Ghana experienced a contraction, with consumption of petroleum products falling by 8.7 percent, according to the NPA.

Financial and Operational Performance

Honourable Ministers, Ladies and Gentlemen, these challenges notwithstanding, I am pleased to announce that BOST achieved a net profit after tax of GHS 342,494,604 compared to GHS 160,718,361 in the previous year, an increase of 112 percent. BOST's operating income also increased by 69 percent from GHS 254,291,419 in 2021 to GHS 428,923,102 in 2022. This was on the back of a 77 percent increase in revenue from GHS 1.121 billion in 2021, to GHS 3.019 billion in 2022.

Revenue from fuel product sales saw an increase of 387 percent in 2022 compared to 2021. Revenue from gasoline sales increased by 224 percent, from GHS 340,633,871 to GHS 1,103,299,371, whilst gasoil sales increased by 352 percent, from GHS 331,063,261 to GHS 1,495,912,905. This positive trading performance can be attributed to improved financing arrangements, more effective customer engagement and retention initiatives as well as the prudent management of trading risks.

The contribution of the BOST margin to revenue declined by 10 percent to GHS 343,260,945 from GHS 380,416,951 in 2021. Storage fees increased by 27 percent, from GHS 21,889,891 in 2021 to GHS 27,715,044, whilst Rack fees also increased by 24 percent, from GHS 30,753,298 in 2021 to GHS 38,172,046 in 2022.

During 2022, BOST consolidated its position as second amongst the depot operators nationwide and first outside the Greater Accra region. (I am happy to inform you that as at May 2023, BOST is now the market leader.)

As a result, the company has finally transitioned from a negative equity position of GHS 248,190,799 in 2021 to a positive equity position of GHS 86,466,542 in 2022.

Strategy

Honourable Ministers, Ladies and Gentlemen, we continue to be guided by our 2020 to 2024 Corporate Strategy which focuses on four key overarching objectives namely, stakeholder satisfaction, reducing turnaround time of Bulk Road Vehicles, improving asset utilization and increasing revenue. It is worth noting that BOST has achieved its 2024 revenue target in 2022, two years ahead of schedule!

Our adoption of the Balanced Score Card Performance Management System as part of our 5-year turnaround strategy continues to yield significant results through the transformation of the corporate culture. Effective goal setting, scheduled staff performance reviews and incentive-based remuneration have come to stay in BOST.

Our passion and commitment to performance remains our motivation to deliver value to our shareholder, the Government of Ghana.

We continue to implement and monitor key initiatives based on feedback from our customer and employee engagements. These include identifying and removing bottlenecks in our operations, regular meetings with our customers and promptly addressing their needs. We have also embarked on an initiative to enhance the capacity of our staff to deliver additional value to our customers. In line with these, 13,410 learning hours were achieved by the Human Resources with 431 unique staff trained during 2022. This represents 89 percent of the staff of the company. These initiatives played a significant role in improving the company's performance during the year.

Health, Safety, Security and Environment

As a company, we have always focused on ensuring that the workplace remains a congenial one for all staff, and 2022 was no exception.

Health and Safety

During the year 2022, the company ensured that all operational staff were provided with adequate Personal Protective Equipment (PPEs) in line with our safety objectives. Quarterly reviews of all depot Risk Registers were also undertaken, and recommended controls implemented across the business. Additionally, we continue to effectively manage ongoing projects to achieve zero Lost Time Injuries (LTI) and conduct regular toolbox talks at all BOST operational sites, and provide medical insurance for our staff.

Security

The Security of our depots and pipelines remains of paramount importance to the Company. We continuously take measures to ensure the protection of these facilities. As part of these efforts, investment has been made in a Leak Detection and Intrusion Detection system for the Tema Akosombo Petroleum Pipeline (TAPP) to guarantee the safety of products transferred through the pipeline.

Corporate Social Responsibility

In 2022 our Corporate Social Responsibility drive remained consistent with our commitments to the communities within our operational zones. Our CSR activities are aligned to the six Sustainable Development Goals (SDG). They are Goal 3, which focuses on enhancing people's health and well-being; Goal 4, which places emphasis on providing equitable and inclusive quality education; Goal 6, which deals with the provision of clean water and sanitary facilities; Goal 7, which deals with affordable and clean energy; Goal 12, investing in safety in our operating community and managing our operations transparently and in dialogue with stakeholders and Goal 13, which focuses on climate change.

During 2022, we collaborated with the Ministry of Education to identify qualified but financially deprived engineering students and awarded scholarships to 50 individuals to undertake engineering courses at university level. We also conducted a data collection exercise in schools within the communities where our operations are based as a prerequisite to providing books and other educational resources to enhance learning. BOST also made financial commitments towards the Green Ghana Project in 2022.

Outlook

Honourable Ministers, Ladies and Gentlemen, the future of BOST remains promising and the Board is committed to ensuring that profitability becomes the norm rather than the exception. Measures to further enhance efficiency include the automation of our depots which has stalled for many years. This project, which is now underway will, when completed, guarantee world class delivery of products at our depots and should attract significant volumes of products to our tanks for storage. Furthermore, we have concluded the Front-End Engineering Design (FEED) for the Tema Kumasi Pipeline Project (TKPP) and look forward to partnering with private entities to construct this pipeline. This project will help reduce the company's carbon footprint and in addition to the planned construction of LPG tanks, will ensure the diversification of our revenue streams as well as support government initiatives for youth employment. We are also committed to providing world class training for our staff to ensure that they are abreast of emerging technology especially the impact of artificial intelligence on the workplace.

Honourable Ministers Ladies and Gentlemen, BOST cannot remain oblivious to the growing Global Climate Crisis, its association with fossil fuels and the drive to transition to cleaner energy, in line with the Net Zero Carbon emissions target by 2050 set by the United Nations Framework Convention on Climate Change. These are issues which confront all of us as a nation and BOST as an organisation. Any future strategy will of necessity have to consider how BOST can transition into this new world.

Conclusion

In conclusion, I wish on behalf of the board of directors to express my sincere appreciation to the prominent stakeholders who have played a key role in the recent growth and success of BOST. Firstly, our gratitude goes to His Excellency the President Nana Addo Dankwa Akufo-Addo for his unwavering support and interest in ensuring the turnaround of BOST. I also acknowledge the essential roles played by the Honourable Minister of Energy Dr. Matthew Opoku-Prempeh, the Honourable Minister of Finance Ken Ofori-Atta, the Honourable Minister of Public Enterprises Joseph Cudjoe, the Director- General of the State Interests and Governance Authority (SIGA) and the Chief Executives of the National Petroleum Authority. Your continued support is indispensable to the company's fortunes and is much appreciated.

I also wish to extend the board's appreciation to the management and staff for the role you have played in rebuilding the company. I want to recognise especially the exceptional performance of the Managing Director Mr. Edwin Provencal, who has been instrumental in driving BOST to success. The positive brand image of the company is testimony to the great leadership that he has demonstrated, as are the numerous awards he has received in the course of his duties. The Board assures him of its unwavering support and urges him on to greater heights.

Honourable Ministers, Ladies and Gentlemen, our aim is to ensure that BOST is an asset and not a liability to government and that it remains one of the best managed State-Owned Enterprises in Ghana, creating value for our shareholder for the benefit of all Ghanaians.

Finally, may I express my gratitude to my fellow board members for their tireless efforts on this journey of Transformation which we embarked on. I look forward to your continued collaboration in building an even stronger BOST which will thrive long into the future.

I thank you for your kind attention

STATEMENT BY **MANAGING DIRECTOR**

MR. EDWIN PROVENCAL

On behalf of the Board of Directors, Management and Staff, I would like to extend a warm welcome to all of you on the occasion of our Annual General Meeting. I want to acknowledge the presence of the Honorable Minister for Energy, Dr. Matthew Opoku Prempeh, the Honorable Minister for Public Enterprises, Hon. Joseph Cudjoe, the Director-General of the State Interests and Governance Authority, Ambassador Edward Boateng, my board chairman, Mr Ekow Hackman, my colleague board members, management, and staff of BOST.

As I look back to 2022, I would like to express my deepest appreciation and gratitude to the board of directors, management, and staff for delivering such a remarkable performance despite our challenging environment, particularly following the downgrading of the country ratings which ultimately resulted in the local banks not being able to confirm Letters of Credit. Indeed, your ingenuity and boldness in the face of these challenges are the attributes that ensured that we achieved the success of 2022.

The Strategy is working

When we commenced our 5-Year Turn-around strategy journey in 2020, we focused on 2 key strategic pillars namely, To Enhance Operational Excellence and To Aggressively Grow the Business. These two pillars are underpinned by Rebranding our Corporate Image and creating a Great Corporate Culture based on performance. Because we believe that “only what gets measured, gets managed” and ‘what gets the needed attention, gets done’, we measured the success of our execution through four key metrics, namely Customer/Stakeholder Satisfaction, Turnaround Time, Asset Utilization and Revenue Market Share. I am happy to state that we have achieved our 2024 revenue target of GHS 3 billion in 2022. We are on course to achieve the remaining targets by 2024.

One of our key Growth Initiatives focuses on Human Capital development and this is because we believe that our human capital is the most critical asset of the company. It is very heartwarming to note that during the year 2022, 431 staff of the company, representing about 89% received world class training both locally and internationally.

The implementation of a performance management system across the business coupled with the implementation of 22 new policies is gradually improving the corporate culture. Staff have come to accept that high performance will be rewarded with the commensurate bonus. In line with this, employees received performance-based bonuses during the third quarter of 2022. This culture has come to stay!

During the year 2022, our company was able to achieve record performances across our financial, operational and governance KPIs. I believe you have seen the details of the numbers in the annual report. However, permit me to provide some key highlights.

- We increased our revenues by 169% from GHS 1.1 billion to GHS 3 billion.
- We increased our net profit by 112% from GHS 161 million to GHS 342 million.
- We enhanced our equity from negative GHS 248 million to positive GHS 86 million.
- More importantly, during 2022, we spent more than GHS 206 million on our long-term growth and operational efficiency projects to ensure we maintain our momentum towards achieving our 2020-2024 strategy.
- Our governance performance was significantly enhanced when the company placed 8th among over 100 SOEs, OSEs and JVCs on the Public Enterprises League Table (PELT).
- The company also placed 4th among the Energy Sector Companies and was awarded the Governance Excellence Award, Energy Sector at the 5th IOD-GH Corporate Governance Excellence Award, 2022.
- The Managing Director was awarded the 2022 Petroleum CEO of the year at the Ghana Energy Awards 2022, the 2022 Bulk Oil Distribution CEO of the year and the Outstanding Public Leadership, Public Sector Award at the 2022 Ghana CEO Summit.

While we are proud of these achievements, we will not rest on our oars. We do have some challenges ahead of us around health, safety, security, and environment. We have therefore established a Corporate Security Unit which will seek to build a proactive and responsive physical and cybersecurity network at all BOST locations for timely response to threats. We will also invest significantly in our health and safety infrastructure including procuring fire tenders for all our installations.

Performing while transforming

In the face of the global emphasis on climate change and energy transition, BOST may have to redefine its purpose. For example, do we want to be an Oil and Gas Company or an ENERGY company?

We will continue to explore new markets within the sub-region for petroleum products while at the same time, prepare to transition from a purely oil and gas company to a full energy company. In doing this, we will seek to diversify our product mix by investing in the storage of new transition fuels such as LPG, Blended ethanol, amongst others.

Looking forward, I believe that BOST will leverage on modern trends, including artificial intelligence to ensure that it remains relevant in the market space. Additionally, we have begun the journey to embed Environmental, Social and Governance (ESG) goals within our operations.

I am excited to see our strategy is yielding the required gains for the shareholder and the Ghanaian taxpayer and I believe that the company has a very great future. With our strategy, we are ready to embrace the great opportunities that lie ahead, and we are committed to continue delivering value for all our stakeholders.

I thank you for your continued trust and support. It gives us the confidence to deliver our strategy with impact and to become the number one fuel and logistics business in the sub-region, while embracing innovative and sustainable business solutions.

Thank you for your attention.

FINANCIAL PERFORMANCE
AT A GLANCE (2014 - 2022)

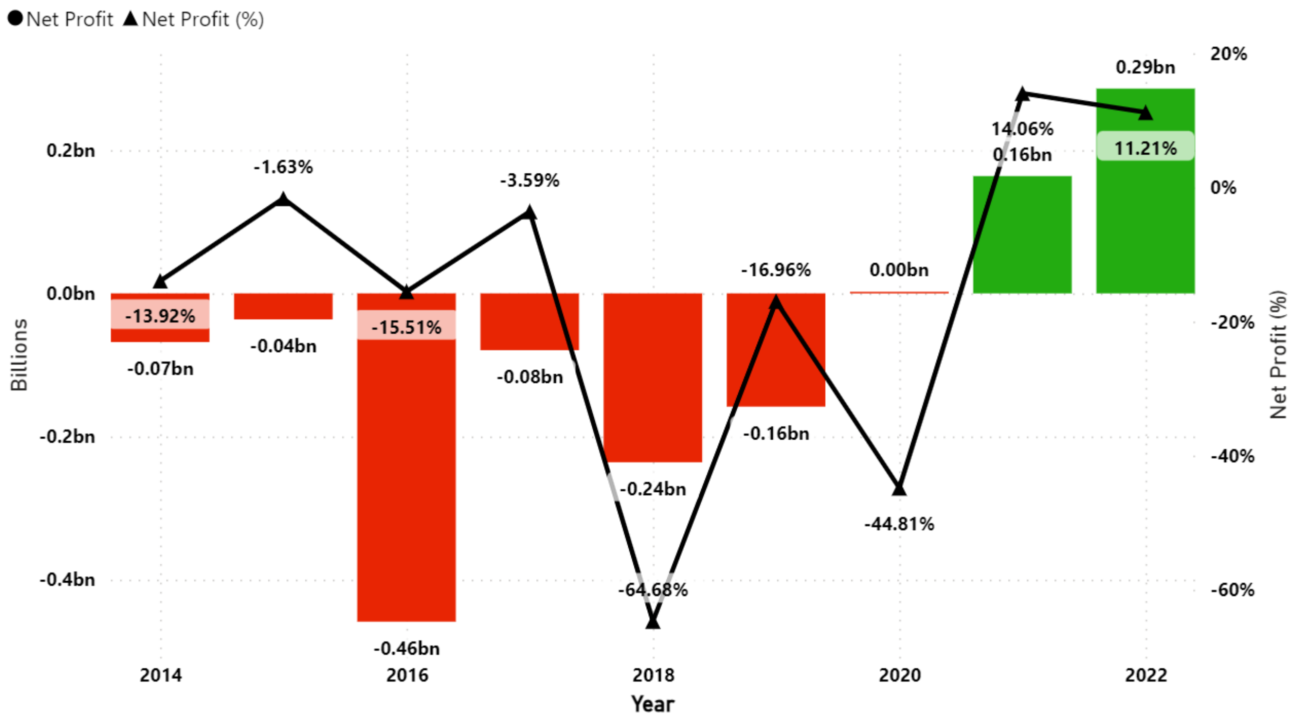


Figure 1: Financial Performance at a glance (2014-2022)

CORPORATE EVENTS
AND ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

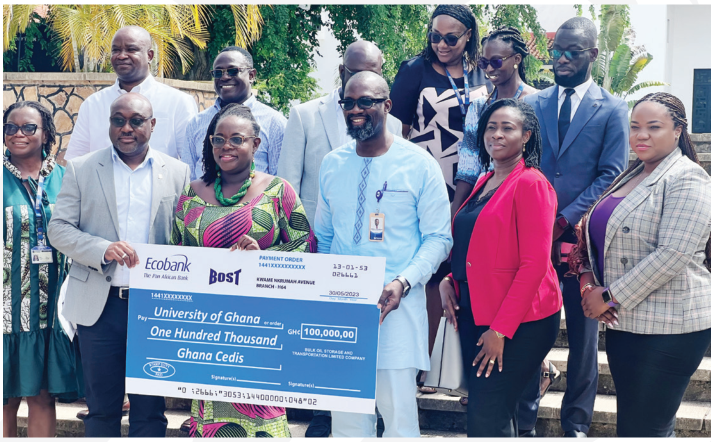
BOST engages Tanker Drivers Union

BOST engages journalists in Accra

BOST embarks on the distribution of exercise books in some selected schools in Kumasi metropolis

BOST embarks on the distribution of exercise books in some selected schools in Kumasi metropolis

BOST participates in Green Ghana Day



BOST donates to support University of Ghana's One Student One Laptop Initiative

CORPORATE EVENTS **AND ACTIVITIES**

FOR THE YEAR ENDED 31 DECEMBER 2022

BOST participates in the 2022 PMI Conference at Peninsula Resort, Akosombo

BOST donates to Appiatse Community Support Fund

Africa Oil Week Celebration, Cape Town

BOST wins an award at the Africa oil and Gas Leadership Excellence Celebrations

BOST MD wins Petroleum CEO of the year 2022

The Managing Director with the Board Secretary and Team at the 2022 AGM

BOST

CORPORATE EVENTS
AND ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022


BOST engages Transport Owners in Accra


BOST engages Transport Owners in Accra

BOST, Rotary Club of Accra South and Department of Parks and Gardens plants 100 trees


Chiefs, Community Leaders & Scholarship beneficiaries in the Ningo/Prampram District


NPA boss, Dr. Mustapha Hamid paid a working visit to Akosombo depot


BOST donates to Buipe Wura as part of community relations activities

REPORT BY
BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors have the pleasure of presenting this annual report together with the audited financial statements of Bulk Oil Storage and Transportation Limited Company ('the Company' or 'BOST') to the members of the Company for the year ended 31 December 2022.

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 state of affairs 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:

1. Develop and maintain a national network of facilities for the bulk storage, transportation and distribution of petroleum products in Ghana.
2. Build Strategic Reserve Stocks of Petroleum Products to meet a minimum of 6 weeks of national consumption.
3. To export petroleum products outside Ghana to increase our revenue sources and import petroleum products to enable BOST stabilize petroleum products prices on the local market

Financial results

The financial results for the year ended 31 December 2022 are set out on page 34 - 38.

Corporate social responsibilities

The Company contributed an amount of GH¢785,963.00 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 programmes 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 2022 is Nil.

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
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 2022.

Going concern

The directors have made an assessment of 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:

30/5/2023

Name of Director: **Joyce Agyeman Attafuah**

Name of Director: **Edwin Provencal**

CORPORATE **GOVERNANCE**

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 is established in line with section 88 of the Public Financial Act (PFM) 2016, ACT 921. It comprises of five members made up of three independent members appointed by the Internal Audit Agency and the Institute of Chartered Accountant of Ghana (ICAG). It also includes two non-executive Board members. The roles and responsibilities of the committee are derived from the PFM Act and its regulations.

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.

Enterprise Risk Management (ERM)

The company has embedded ERM in its operations. The company has established the Risk Committee, and developed the Risk policy as well as the Risk flamework which has been approved by the board. Currently the company has a running Risk register which is updated quarterly.

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 and strict adherence to the principles so as to eliminate the potential for illegal practices.

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**

TO THE MEMBERS OF THE BULK OIL STORAGE AND TRANSPORTATION LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Limited Company set out on pages 9 to 42, which comprise the statement of financial position as at 31 December 2022, 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, 2022, and its profit or loss and other comprehensive income, and its cash flows for the year then ended, in accordance with International Financial Reporting 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, (L.I.2378).

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 Limited Company 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 it's 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 Limited Company 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 on the basis of 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 uses 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 Limited Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

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/CAD
for: **AUDITOR-GENERAL**
ACCRA, GHANA

Dated 30th May 2023

JOHN G. K. ADDISON
DEPUTY AUDITOR-GENERAL/CAD
AUDIT SERVICE, ACCRA

STATEMENT OF **COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 GH¢	2021 GH¢
Revenue	5	3,019,464,812	1,121,664,362
Cost of sales	6	(2,272,444,813)	(659,341,221)
Gross profit		747,019,998	462,323,141
Other Income	7	24,317,326	19,980,360
Administrative expenses	8	(342,414,223)	(228,012,082)
Operating income (loss)		428,923,101	254,291,419
Finance income	9	12,503,127	1,712,403
Finance costs	10	(17,269,797)	(6,915,301)
Net profit/(Loss) before income tax		424,156,431	249,088,521
Income tax expense	11b	(138,046,088)	(85,216,711)
Profit / Loss After Income Tax		286,110,343	163,871,810
Deferred tax credit/ (tax provision)		56,384,260	(3,153,449)
Net profit (loss) for the year		342,494,603	160,718,361
Items that may be reclassified to profit or loss	15	(7,837,263)	25,079,240
Changes in the fair value of investment instruments at fair value through other comprehensive income:			
Other comprehensive income for the period		(7,837,263)	25,079,240
Total comprehensive income for the year		334,657,340	185,797,601

STATEMENT OF **FINANCIAL POSITION**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 GH¢	2021 GH¢
Non-current assets			
Property, plant, and equipment	**12&13**	**1,478,243,048**	1,346,237,988
Intangible assets	**14**	**-**	2,090,039
Investment securities	**15**	**134,800,917**	142,638,179
Total non-current assets		**1,613,043,965**	1,490,966,206
Current assets			
Inventories	**16**	**441,118,175**	171,712,586
Trade and other receivables	**17**	**454,194,356**	317,771,250
Cash and bank balances	**18**	**296,978,595**	93,765,317
Total current assets		**1,192,291,126**	583,249,153
Total assets		**2,805,335,091**	2,074,215,359
Equity	**19**	**500,000**	500,000
Other reserves	**25**	**601,627,574**	609,464,837
Retained earnings	**26**	**(515,661,032)**	(858,155,636)
Total equity		**86,466,542**	(248,190,799)
Non-current liabilities			
Loans and borrowings	**20**	**1,085,530,905**	1,015,110,573
Deferred tax	**11(ci)**	**185,336,400**	241,720,660
Total non-current Liabilities		**1,270,867,305**	1,256,831,233
Current liabilities			
Loans and borrowings	**20**	**122,975,393**	33,953,936
Trade and other payables	**21**	**1,029,391,884**	870,818,614
Taxation	**11(bi)**	**222,080,182**	87,655,295
Employee benefit obligations	**22**	**4,000,210**	3,593,505
Provisions	**23**	**69,553,574**	69,553,574
Total current liabilities		**1,448,001,243**	1,065,574,925
Total liabilities		**2,718,868,549**	2,322,406,158
Total equity and liabilities		**2,805,335,091**	2,074,215,359

The notes on pages 21- 30 are an integral part of these financial statements. The financial statements were approved by the Board of Directors and signed on their behalf by:

30/5/2023

Name of Director: **Joyce Agyeman Attafuah**
Date: 30-05-2023

Name of Director: **Edwin Provencal**
Date: 30-05-2023

STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Stated capital	Other reserves	Retained earnings	Total
	GH¢	GH¢	GH¢	GH¢
Year ended 31 December 2022				
As at 1 January 2022	500,000	609,464,837	(858,155,636)	(248,190,799)
Profit for the year	-	-	342,494,603	342,494,603
Fair value loss on investment securities	-	(7,837,263)	-	(7,837,263)
As at 31 December 2022	**500,000**	**601,627,574**	**(515,661,033)**	**86,466,542**
Year ended 31 December 2021				
As at 1 January 2021	500,000	584,385,597	(1,043,471,937)	(458,586,341)
Profit for the year	-	-	160,718,361	160,718,361
Prior year adjustment	-		24,597,939	24,597,939
Fair value gain on investment securities	-	25,079,240	-	25,079,240
As at 31 December 2021	**500,000**	**609,464,837**	**(858,155,636)**	**(248,190,799)**

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 2022

	Note	2022	2021
		GH¢	GH¢
Operating activities			
Profit before tax		**424,156,431**	249,088,521
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of right-of-use assets	**24**	**-**	4,011,867
Depreciation of property, plant and equipment	**13**	**74,359,795**	72,517,761
Provision for doubtful debt	**17**	**59,798,428**	-
Provision for inventory loss		**-**	24,288,107
Amortization of intangible assets	**14**	**2,090,039**	2,183,204
Finance income	**10**	**(12,503,127)**	(1,712,403)
Provision for other expenses	**8**	**-**	378,828
Finance cost on lease	**10**	**-**	124,952
Finance cost	**10**	**17,269,797**	6,915,301
Operating profit/(loss) before working capital changes		**565,171,363**	357,796,136
Working capital adjustments:			
(Increase)/Decrease in inventories		**(269,405,589)**	(75,626,319)
Decrease/(increase) in trade and other receivables		**(136,423,105)**	(117,461,276)
Increase/(decrease) in trade and other payables		**158,873,269**	(8,459,517)
Increase/(decrease) in employee benefit obligations		**406,705**	1,910,548
Cash generated from operations		**318,322,642**	146,959,565
Interest received	**9**	**12,503,127**	1,712,403
Interest paid	**10**	**(17,267,797)**	(6,915,301)
Cash generated from operating activities		**313,555,972**	154,210,040
Taxes paid	**11bi**	**(3,621,202)**	(7,250,475)
Net cash used in operating activities		**309,934,770**	146,959,565

STATEMENT OF **CASHFLOW (CONT'D)**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		GH¢	GH¢
Investing Activities			
Purchases of property, plant, and equipment	12	(201,891,534)	(80,611,788)
Proceeds from sale of assets		76,720	-
Principal payment of lease liabilities	24	-	(5,302,086)
Net cash used in investing activities		(201,814,814)	(85,913,874)
Financing activities			
Loan drawdowns		138,984,424	14,820,563
Loan repayments		(43,891,103)	(35,124,744)
Net cash generated from/(used in) financing activities		95,093,321	(20,304,181)
Net increase in cash and cash equivalents		203,213,278	40,741,510
Cash and cash equivalents as at 1 January	18	93,765,317	53,023,807
Cash and cash equivalents as at 31 December	18	296,978,595	93,765,317

The notes on pages 21- 30 are an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Corporate information

Bulk Oil Storage and Transportation Limited Company ('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.

2. 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) and the Public Financial Management Act, 2016 (ACT 921). 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 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.

3. 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 on a monthly basis. 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. Consequently, the Company does not adjust any of the transaction prices for the time value of money.

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 were stored on their behalf by BOST as at 31 December 2022 comprised: Diesel 33,098,978 litres and Petrol: 42,905,814 litres respectively as indicated in the table below. These inventories are not included in these financial statements as they are not owned by BOST.

Third party stock/product as at 31 December 2022

Products	Qty (Litres)	Amt. Per Litre (Gh)	Amount/ Valuation Gh¢
Diesel	33,098,978	10.50	347,539,269
Petrol	42,905,814	7.91	339,384,989
			686,924,2586

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 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.

For 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.

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 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.
- 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 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's leasing activities and how these are accounted 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.

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

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.

3.21 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 2022:

- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2;
- Annual improvements to IFRS 2018 to 2020; and
- Property, Plant, and Equipment-Proceeds before intended use (Amendment to IAS 16).

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.

3.22 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.

Lease Liability in a sale and Leaseback transactions in IFRS 16 – Amendments to IFRS 16

The IASB In September 2022 made amendments to IFRS 16 Leases, the amendment specifies the requirements that a seller-lessee should use in measuring the lease liability arising in a sale and leaseback transactions, to ensure that a seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment requires that seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application however is permitted. In particular, the amendments clarify:

That after the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback.

3.21 Amended standards adopted during the year.

Classification of Liabilities as Current or Noncurrent and Non-current Liabilities with Covenants-Amendments to IAS 1.

In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments particularly clarify:

- What is meant by a right to defer settlement;
- That a right to defer settlement must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

This standard is mandatory for financial years commencing on or after 1 January 2024.

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 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.

5. Revenue

	2022	2021
	GH¢	GH¢
Petrol sales	**1,103,299,371**	340,633,871
Diesel sales	**1,495,912,905**	331,063,261
BOST margin	**343,260,945**	380,416,951
Storage fees	**27,715,044**	21,889,891
Loading rack fees	**38,172,046**	30,753,298
Product transfer fees	**2,728,166**	2,074,331
Marine Income	**8,376,335**	14,832,760
	3,019,464,812	1,121,664,362

6. Cost of Sales

	2022	2021
	GH¢	GH¢
Cost of petrol sold	**861,958,712**	277,032,539
Cost of diesel sold	**1,324,413,700**	310,803,675
Pipeline handling costs	**3,552,670**	4,647,396
Direct operational costs	**82,519,732**	66,857,612
	2,272,444,813	659,341,221

7. Other income

	2022	2021
	GH¢	GH¢
Haulage registration fees	**6,232,000**	4,425,000
Rental income	**620,060**	77,320
Exchange gain	**-**	8,391,256
Dividend income	**3,684,670**	-
Sundry Income	**13,780,596**	7,086,784
	24,317,326	19,980,360

8. Administrative expenses

	2022	2021
	GH¢	GH¢
Employee benefits	113,879,815	88,593,572
Training, welfare and other staff costs	18,307,252	8,925,162
Insurance	2,840,014	3,260,234
Other administrative expenses	6,696,935	10,733,722
Information technology and other communication costs	3,511,603	1,972,680
Utility service costs	2,994,012	3,617,115
Repairs and maintenance	420,669	595,878
Office material supplies and other cleaning costs	3,087,854	3,877,122
Motor running costs	6,530	8,983
Operational maintenance cost	897,312	2,068,710
Operating lease, other rentals and rates	6,891,783	1,946,798
Travelling and transport costs	4,410,713	2,374,761
Donations, Sponsorship & Support	6,491,647	668,600
Seminars and conferences costs	18,564,257	4,457,970
Directors' emoluments	2,527,621	2,366,806
Audit expense	573,094	781,838
Legal and other professional fees	219,893	407,761
Consultancy	1,438,197	1,804,370
Security	3,164,525	3,536,530
Advertising, publicity, and promotions	242,475	138,791
Depreciation of right –of-use assets	-	4,011,867
Depreciation of property, plant and equipment	74,359,795	72,517,760
Amortisation	2,090,039	2,183,204
Bank Charges	1,751,737	1,540,061
Exchange loss	7,248,022	-
Bad Debt Provision	59,798,428	-
	342,414,223	**228,012,082**

8a. Employee benefits comprise:

	2022	2021
	GH¢	GH¢
Wages and salaries	46,454,167	35,430,007
Social security costs	5,489,411	4,257,476
Allowances	43,686,699	41,296,782
Gratuity cost and other employee benefits	18,249,538	7,609,307
	113,879,815	**88,593,572**

9. Finance income

	2022	2021
	GH¢	GH¢
Interest on current/savings account	**420,552**	1,445,413
Interest income on fixed deposits	**12,082,575**	266,990
	12,503,127	1,712,403

10. Finance costs

	2022	2021
	GH¢	GH¢
Interest on borrowings	**5,067,742**	5,552,801
Interest expense on lease liabilities	**-**	124,952
Trade finance costs	**12,202,055**	1,237,549
	17,269,797	6,915,301

11. Income tax

11a. Income tax credit

The amount provided for income tax is calculated at the rate of 25% of the adjusted profit and is subject to agreement with Ghana Revenue Authority.

11bi Corporation tax

2022					
Year of assessment	**Balance at 01-Jan**	**Charge for the year**	**Payments in the year**	**Tax Credits**	**Balance at 31-Dec**
	GH¢	GH¢	GH¢	GH¢	GH¢
up to 2021	8,424,675	86,481,095	(2,517,750)	(4,732,624)	87,655,295
2022		138,046,088	(1,880,049)	(1,741,153)	134,424,785
	8,424,675	224,527,183	(4,397,799)	(6,473,777)	222,080,081

11bii

2021					
Year of assessment	**Balance at 01-Jan**	**Charge for the year**	**Payments in the year**	**Tax Credits**	**Balance at 31-Dec**
	GH¢	GH¢	GH¢	GH¢	GH¢
up to 2017	220,060	1,264,384	(1,264,384)	(1,205,892)	-985,933
2018	-	-	-	(1,274,207)	(1,274,308)
2019	278,157			(383,132)	(104,975)
2020	7,926,458			(747,815)	7,178,643
2021		85,216,711	(1,253,366)	(1,121,578)	82,841,767
	8,424,675	86,481,095	(2,517,750)	(4,732,624)	87,655,195

11. Income tax (Cont'd)

11ci. Deferred income tax

Deferred tax as presented on the statement of financial position relates to the following:

	2022	2021
	GH¢	GH¢
Accelerated depreciation for tax purposes	**270,935,075**	312,369,728
Other temporary differences	**(85,589,675)**	(70,649,068)
Net deferred income tax liabilities	**185,336,400**	241,720,660

11cii The movement on the deferred income tax liability account is as follows

	2022	2021
	GH¢	GH¢
At 1 January	**(241,720,660)**	(238,567,211)
Credit / (Charge) for the year	**56,384,260**	(3,153,449)
At 31 December	**(185,336,400)**	(241,720,660)

11d. Effective tax reconciliations

	2022	2021
	GH¢	GH¢
Accounting profit before tax	**424,156,431**	249,088,521
Tax at statutory income tax rate of 25% (2021: 25%)	**106,039,108**	62,272,130
Non-deductible expenses	**88,391,240**	19,791,131
Effect of other timing differences	**-56,384,260**	3,153,449
At the effective income tax rate	**138,046,088**	85,216,711

12. Property, plant, and equipment

	Land and Buildings	Motor Vehicles	Operational Equipment	Office Equipment	Furniture, & Fittings	Computer & IT Equipment	Household Equipment	Marine Equipment	CWIP Buildings	CWIP Pipelines & Tanks	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢		GH¢
COST											
As at 1 January 2022	352,544,164	3,367,000	788,645,513	419,088	1,209,101	3,169,607	59,910	181,013,840	70,725,993	87,322,754	1,488,476,971
Adjustment for disposal	-	(132,000)	-	-	-	-	-	-	-	-	(132,000)
Reclassifications	2,693,258	-	14,825,631	-	-	-	-	-	(3,493,289)	(13,597,356)	428,245
Additions	2,261,684	1,138,442	573,153	12,480	2,040,231	659,327	-	-	155,106,979	44,243,314	206,035,610
Amounts as at 31 December 2022	357,499,106	4,373,442	804,044,298	431,568	3,249,332	3,828,935	59,910	181,013,840	222,339,683	117,968,712	1,694,808,826
DEPRECIATION											
Accumulated as at 1 Jan 2022	23,575,474	1,471,325	78,845,539	130,037	528,162	1,445,776	39,900	36,202,768	-	-	142,238,981
Adjustment for	-	(33,000)	-	-	-	-	-	-	-	-	(33,000)
Disposal											
Charge for the year	12,769,204	1,093,360	40,202,215	86,314	812,333	1,275,035	19,950	18,101,384			74,359,795
As at 31 December 2022	36,344,678	2,531,685	119,047,754	216,351	1,340,495	2,720,811	59,850	54,304,152	-	-	216,565,776
Carrying amount as at 31 Dec. 2022	321,154,428	1,841,757	684,996,544	215,217	1,908,838	1,108,124	60	126,709,688	222,339,683	117,968,712	1,478,243,048
Carrying amount as at 1 Jan 2021	328,968,690	1,895,675	709,799,974	289,051	680,939	1,723,831	20,010	144,811,072	70,725,993	87,322,754	1,346,237,988

Borrowing cost, which was capitalised during the year amounted to GH₵15,307,918 (2021: Nil). This relates entirely to obtaining finance for the completion of the Head Office building of the Company.

Property, plant, and equipment that has been used as collateral for any borrowings held as at the reporting date is the Corporate Head Office Building situate on a parcel of land number 7976, block 8, section 118 situate at south Legon-Accra.

12. Property, plant, and equipment (continued)

	Land and Buildings	Motor Vehicles	Operational Equipment	Office Equipment	Furniture, & Fittings	Computer & IT Equipment	Household Equipment	Marine Equipment	CWIP Buildings	CWIP Pipelines & Tanks	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢		GH¢
COST											
At at 1 January 2021	325,349,781	2,735,800	788,265,260	231,097	903,552	1,168,371	59,910	181,013,840	66,571,310	41,856,262	1,408,155,183
Disposal		(290,000)									(290,000)
Additions	27,194,383	921,200	380,253	187,990	305,549	2,001,237	-	-	4,154,683	45,466,492	80,611,788
Amounts as at 31 December 2021	352,544,164	3,367,000	788,645,513	419,088	1,209,101	3,169,607	59,910	181,013,840	70,725,992	87,322,754	1,488,476,971
DEPRECIATION											
Accumulated as at 1 Jan 2021	10,914,000	683,950	39,413,263	46,219	225,888	389,067	19,950	18,101,384	-	-	69,793,722
Disposal		(72,500)									(72,500)
Charge for the year	12,661,474	859,875	39,432,276	83,818	302,274	1,056,709	19,950	18,101,384	-	-	72,517,761
As at 31 December 2021	23,575,474	1,471,325	78,845,539	130,037	528,162	1,445,776	39,900	36,202,768	-	-	142,238,981
Carrying amount as at 31 Dec. 2021	328,968,690	1,895,675	709,799,975	289,051	680,939	1,723,831	20,010	144,811,072	70,725,992	87,322,754	1,346,237,988
Carrying amount as at 1 Jan 2020	314,435,781	2,051,850	748,851,997	184,878	677,664	779,304	39,960	162,912,456	66,571,310	41,856,262	1,338,361,461

14. Intangible assets

	2022 GH¢	2021 GH¢
Cost		
At 1 January	**10,916,020**	10,916,020
Additions	**-**	-
At 31 December	**10,916,020**	10,916,020
Accumulated Amortisation		
At 1 January	**8,825,981**	6,642,777
Charge for the year	**2,090,039**	2,183,204
At 31 December	**10,916,020**	8,825,981
Net book amount at 31 December	**-**	2,090,039

15. Investment securities

	2022 GH¢	2021 GH¢
At 1 January	**142,638,179**	117,558,939
Fair value (loss)/gains on investment securities recognised in other comprehensive income	**(7,837,263)**	25,079,240
Fair Value as at 31 December	**134,800,917**	142,638,179

16. Inventories

	2022 GH¢	2021 GH¢
Diesel	**267,673,728**	131,503,312
Petrol	**173,436,682**	40,202,334
Stationery & Office Supplies	**7,765**	6,940
	441,118,175	171,712,586

17. Trade and other receivables

	2022 GH¢	2021 GH¢
Net trade receivables	**452,024,159**	317,771,250
Prepayments	**2,170,197**	-
	454,194,356	317,771,250
Net trade receivable comprises:		
Gross trade receivable from customers	**724,865,283**	530,813,947
Less credit loss allowance:		
At 1 January	**(213,042,697)**	(213,042,697)
Charge for the year	**(59,798,427**	-
Net receivable from customers	**452,024,159**	317,771,250

18. Cash and bank balances

	2022	2021
	GH¢	GH¢
Cash balances	502,230	467,813
Bank balances	296,476,365	93,297,504
	296,978,595	93,765,317

18a. Cash and cash equivalents

For the statement of cash flows, the period end cashes, and cash equivalents comprise the following:

	2022	2021
	GH¢	GH¢
Cash and bank balances (Note 18)	296,978,595	93,765,317
Bank overdraft (Note 20)	296,978,595	93,765,317

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**.**

	2022	2022	2021	2021
	Number issued	Amount	Number issued	Amount
		GH¢		GH¢
Issued for cash consideration	1,000,000	500,000	1,000,000	500,000

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

20. Loans and borrowings

	2022	2021
	GH¢	GH¢
Government of Ghana relief	97,981,037	97,981,037
Government of Ghana Relief (EXIM Bank – US)	179,304,904	179,304,904
Fidelity Bank Loan (H/O)	137,820,000	-
Fidelity NPA Loan	16,001,947	39,491,094
Short Term Loans	50,024,152	
Government of Ghana Relief (Llitasco loan)	709,936,685	709,936,685
Consolidated Bank Ghana	17,437,573	22,350,788
	1,208,506,298	1,049,064,509

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.

EXIM Bank – US (Cont'd)

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.

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 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.

Fidelity NPA Loan

The purpose of this loan is to finance the payment for the construction of the Head Office buildings. It attracts 18.5% variable interest rate per annum for a tenor of One Hundred and Twenty months.

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

	2022	2021
	GH¢	GH¢
Trade accounts payable	**1,029,391,884**	870,818,614

The Company's trade and other payables approximate their fair values due to their short-term nature.

22. Employee benefit obligations

	2022	2021
	GH¢	GH¢
Long service awards as at 1 January	**3,593,504**	1,682,956
Changes in actuarial assumptions	**13,539**	1,297,410
Interest cost	**-**	255,809
Current service costs	**393,166**	357,329
Long service awards as at 31 December	**4,000,210**	3,593,504

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.

22. Employee benefit obligations (cont'd)

Net benefit expense recognised in the statement of comprehensive income in relation to other long-term employee benefits are as follows:

	2022	2021
	GH¢	GH¢
Changes in actuarial assumptions	**13,539**	1,297,410
Interest cost	**-**	255,809
Current service costs	**393,166**	357,329
	406,705	1,910,547

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.

	2022	2021
Salary growth rate:		
Increase/(decrease) in other long-term benefits	**5%**	5%
Staff turnover rate:		
Increase/(decrease) in other long-term benefits	**7%**	7%
Discount rate:		
Increase/(decrease) in other long-term benefits	**15.2%**	15.2%

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

	2022	2021
	GH¢	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.

24. Leases

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

	2022	2021
	GH¢	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)**	(7,957,326)
Charge for the year	**(4,113,723)**	(4,113,723)
At 31 December	**(11,969,193)**	(11,969,193)

	2022	2021
	GH¢	GH¢
Depreciation charge on right-of-use asset (Note 8)		4,113,723
Finance cost (Note 10)		124,952
(iii) The movement in lease liabilities are as follows;		
At 1 January	-	5,302,086
Addition during the year		-
Finance cost (Note 8)	-	124,952
Principal lease payments	-	(4,489,176)
Exchange loss	-	937,861
At 31 December	-	-

25. Other reserves

	Land	Revaluation gain/loss on investment securities & Revaluation surplus	**Total**
	GH¢	**GH¢**	**GH¢**
At 1 January 2022	43,356,215	566,108,622	609,464,837
Fair value gain	-	(7,837,263)	(7,837,261)
Revaluation Surplus		-	-
At 31 December 2021	**43,356,215**	**558,271,359**	**601,627,574**

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.

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.

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.

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

27. Financial risk management objectives and policies (cont'd)

Financial instruments by category

	2022	2021
	GH¢	GH¢
Financial assets at amortised cost:		
Trade and other receivables (excluding prepayments)	**452,024,159**	317,771,250
Cash at bank	**296,978,595**	93,765,317
	749,002,754	411,536,567
Financial assets at fair value through other comprehensive income:		
Investment securities	**134,800,917**	142,638,179
	883,803,671	554,174,746

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 2022 or 1 January 2023 respectively are as follows:

31 December 2022	**Aged 1-365 days**	**Over 365 days**	**Total**
Expected loss rate	0%	100%	
Gross carrying amount	452,024,159	272,841,124	**724,865,283**
Credit loss allowance	**-**	**272,841,124**	**272,841,124**

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 2022	**Within 1 year**	**1 to 5 years**	**Total**
	GH¢	**GH¢**	**GH¢**
Borrowings	122,975,393	1,085,530,905	1,208,506,298
Trade accounts and other payable	1,029,391,884	-	1,029,391,884
	1,152,367,277	**1,085,530,905**	**2,237,898,182**

28. Related party disclosures

The Company is solely owned by the Government of Ghana and has investment in shares with Goil Company Limited.

Compensation of those charged with governance.

	2022	2021
	GH¢	GH¢
Directors' emolument	**2,527,621**	2,366,806

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

GOL D FOR OIL PROGRAME

In the year under review, the Company commenced partnership with Bank of Ghana and National Petroleum Authority (NPA) in the implementation of Government of Ghana Gold-for- Oil policy.

It is noted that BOST's participation in the programme goes to the extent of working with the Bank of Ghana and National Petroleum Authority (NPA) to negotiate prices with the international oil traders to ensure that the landed cost of products procured under the programme are always competitive to control inflation and stabilize the cedi depreciation in the country.

From January 2023, BOST began providing Storage facilities at a fee for the landed products and sells the products received under the programme to Bulk Import, Distribution, and Export Companies (BIDECs) with an approval of the price by the NPA.

The first consignment of about 40,000 metric tonnes of diesel were received on January 15, 2023

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 2022. (2021: Nil).

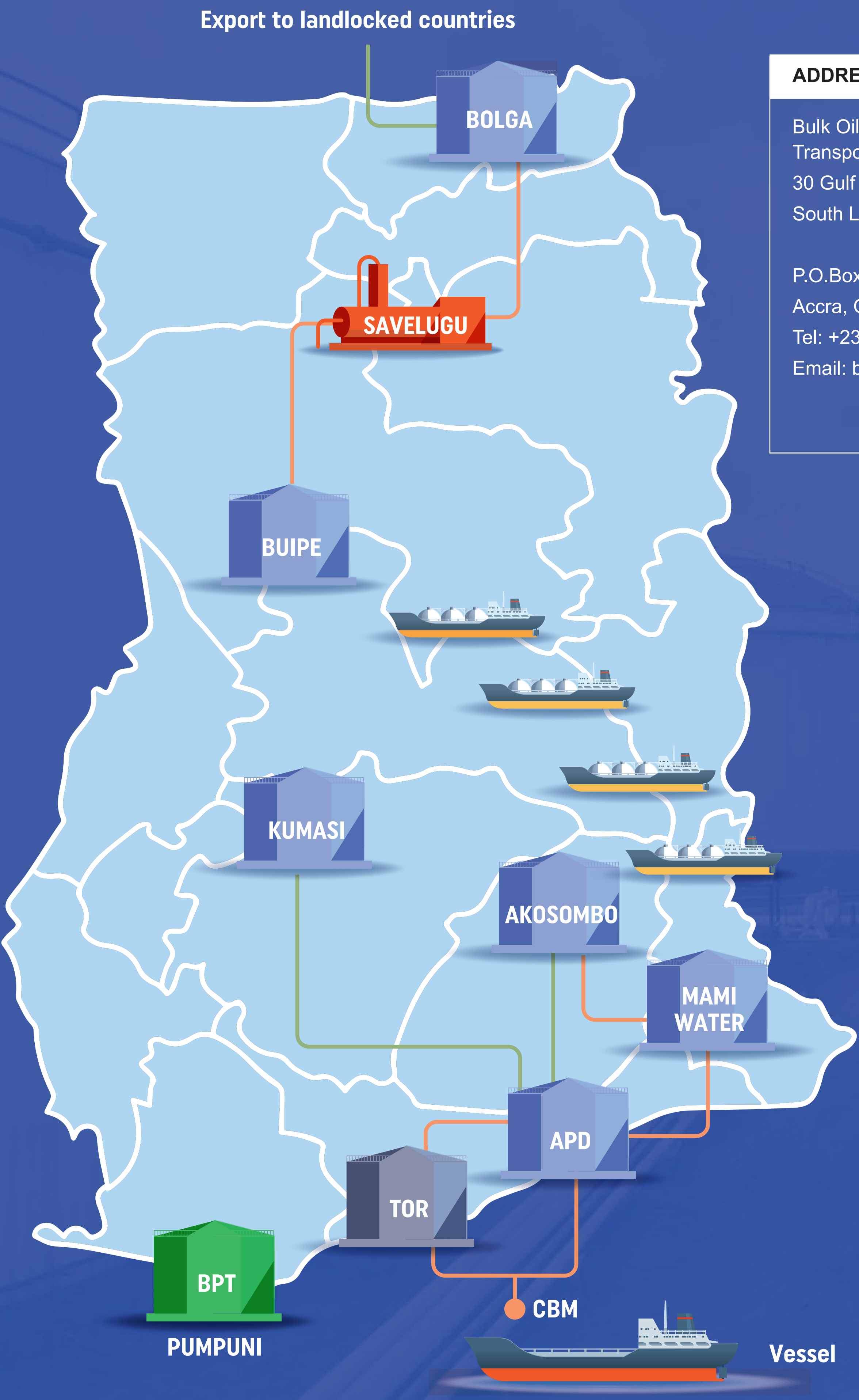
Notes

Notes

BOST

2022 Company Awards

THE BOST NETWORK



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