

BOST

**BULK ENERGY STORAGE AND
TRANSPORTATION LIMITED COMPANY**



**ANNUAL
REPORT
2023**

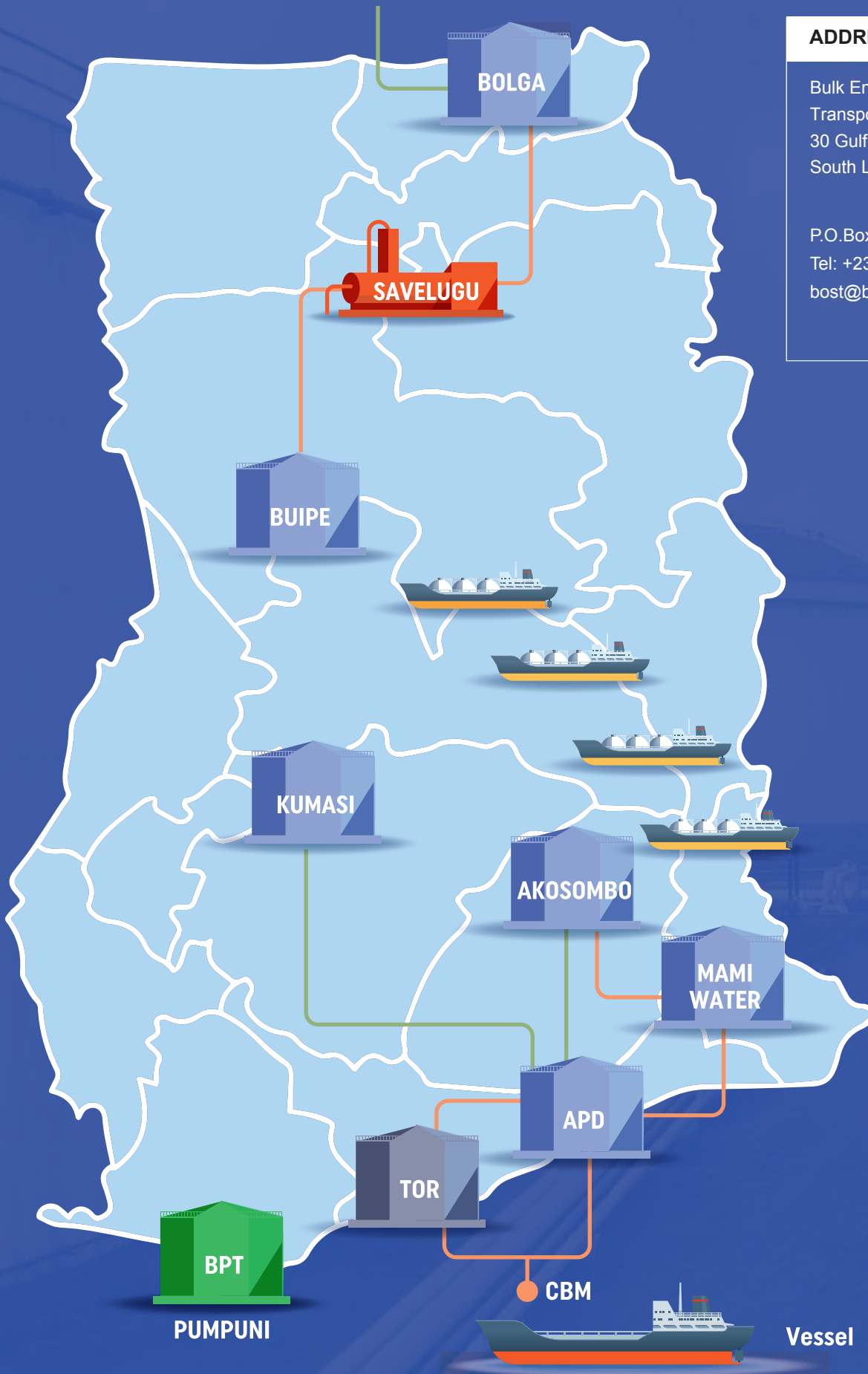
THE BOST NETWORK

Export to landlocked countries

ADDRESS:

Bulk Energy Storage and
Transportation Limited Company
30 Gulf Street
South Legon, Accra

P.O.Box MB 499 Accra, Ghana
Tel: +233-30-277-5497 Email:
bost@bost.gov.gh



Vessel

BOST

**BULK ENERGY STORAGE AND
TRANSPORTATION LIMITED COMPANY**

**ANNUAL
REPORT
2023**



OUR VISION

To be the number one fuel and logistics business in West Africa by 2024.



OUR MISSION

To manage the business of Storage and Transmission of fuels focusing on excellence in Security, Safety and Profitability.



CORE VALUES

Passion • Performance • Integrity

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COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023



BOARD OF DIRECTORS:

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

COMPANY SECRETARY:

William Kofi Owusu Demitia

AUDITOR:

Ghana Audit Service
MB Box 96
Ministries

REGISTERED OFFICE:

30 Gulf Street, South Legon - Accra

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 2023

NOTICE is hereby given that the 3rd Annual General Meeting (AGM) of the Bulk Energy Storage and Transportation Limited Company (BOST) will be held on Friday 19th July 2024 at 10am at the Head Office of BOST.

AGENDA

1. Consideration of the Reports of the Directors and the Auditors of the Company for the year ended 31st December 2023;
2. Consideration of the Financial Statements of the Company for the year ended 31st December 2023;
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 26th day of June 2024.



MR. WILLIAM OWUSU DEMITIA, ESQ.
COMPANY SECRETARY - BOST

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

He is a lecturer at the University of Ghana School of Law and the Managing Partner of Arete Solicitors – a finance, tax, commercial and dispute resolution firm located 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.



ADDRESS BY THE HONOURABLE MINISTER FOR ENERGY

**HON. DR. MATTHEW
OPOKU PREMPEH - MP**

The Minister for Public Enterprises, the Director-General of SIGA, The Chairman and Members of the Board of Directors of BOST, The Managing Director and Members of the BOST Management Team, Distinguished Ladies and Gentlemen:

It is indeed a pleasure to be here once again for this all-important event in the corporate governance of the Bulk Energy Storage and Transportation Limited Company, BOST. Two years ago, at the maiden Annual General Meeting, I commended the Board of Directors and the Management of Bulk Energy Storage and Transportation Limited Company (BOST) for their remarkable achievement in transforming the company from a decade of losses to profitability and I urged them to keep working hard to sustain the great work. Last year, you ensured that the hard work continued and I am happy to say that the BOST story keeps getting better with each passing year. I dare say the BOST story is one of the phenomenal corporate turnaround stories in the public sector of Ghana over the past decade.

I have had the opportunity to review the company's performance over the past three years, and I must express my admiration for the financial accomplishments of the company's management. 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, and now an even stronger equity position of GHS 277,236,018 in 2023. This remarkable feat, which has eluded the company since its inception, now positions BOST on the path to pay dividends to the government of Ghana in the immediate future.

In addition, the company has continued its path of profitability, declaring profits of GHS 160 million in 2021, GHS 342 million in 2022, and GHS 208 million in 2023. I must express my sincere appreciation to the Board and Management of BOST for maintaining this path of profitability and I encourage them to continue this trend in the coming years.

It is worth noting the significant impact of BOST on petroleum product prices and inflation in the country, particularly through its leadership in the implementation of the Gold for Oil Program spearheaded by the Vice President, H.E. Dr. Alhaji Mahamudu Bawumia. This policy addresses exchange rate pressures, rising petroleum prices, and inflation, and its impact has been evident in ensuring stable petroleum prices in the country. Indeed, the program has brought relief to Ghanaians and encouraged competitive pricing of imported petroleum products.

As BOST completes its 5-year turnaround strategy, I am glad to know that the First Phase of the Depot Upgrade Project, which covers the Accra Plains and Kumasi Depots has commenced and is scheduled to be completed by September 2024. The Depot Upgrade Project when completed is expected to enhance the operational efficiency of operations across the depots. It will automate the loading and discharge processes and increase throughput by about 2 and half times the current rate.

The transformation of the BOST business is evidenced by improved operational efficiency. I am aware that to maintain this positive trajectory, the long-standing debt-equity swap deal will have to be approved by the Ministry of Finance. I urge SIGA and the Ministry of Public Enterprises to assist BOST in this matter.

Finally, let me once again congratulate the Board of Directors and the Management of BOST for turning around the business with its growth and operational efficiency strategy 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, with the right leadership, attitude, and balance, can generate profits, pay dividends and make significant contributions to the government's fiscal policies.

Thank you.



Accra Plains Depot in Tema



ADDRESS BY THE HONOURABLE MINISTER FOR PUBLIC ENTERPRISES

HON. JOSEPH CUDJOE - MP

The Honorable Minister of Energy, The Director General of State Interests and Governance Authority (SIGA), the, Board of Directors of BOST, Senior Management and Staff of BOST present, invited guests, Ladies and Gentlemen, I bring you warm greetings from His Excellency the President Nana Addo Dankwa Akufo Addo and the good people of Ghana. A visit to BOST is always an occasion I look forward to because the immense pride that BOST brings to everyone associated with the company.

On behalf of the President and the good people of Ghana, I would like to commend the current Board and Management of BOST for organizing its 3rd Annual General Meeting (AGM). It gives me great joy to say that now, the AGMs have become a regular occurrence on the BOST calendar. AGMs are of paramount importance as they offer an opportunity for companies to assess their financial health, identify key issues, and develop strategies that drive performance and growth.

Standing here today brings me great joy, given my long-standing relationship with BOST, which began in 2013 when I was appointed a Member of the Select Committee on Mines and Energy of Ghana's Parliament. This continued through my tenure as Deputy Minister of Energy in 2017, and now as the Minister for Public Enterprises. These experiences, particularly over the

last three years, have been significant as BOST has transitioned from loss making to consistent profitability and remained on a path of profitability during my tenure as the Minister overseeing Public Enterprises

Since the implementation of its 5-year turnaround strategy in 2020, BOST has addressed numerous challenges, including financial scandals, inefficiencies, high indebtedness, and management issues. Today, BOST is a profit-making entity, declaring profits of GHS 160 million in 2021, GHS 342 million in 2022, and GHS 208 million in 2023. The recent history of BOST gives me great confidence that BOST can only get better.

Additionally, the company's equity position increased from GHS 86 million in 2022 to GHS 277 million in 2023. As Minister for Public Enterprises, I hope management will continue on this path to eventually pay dividends to the government, in line with the vision of H.E. Nana Addo Dankwa Akuffo Addo, President of the Republic.

It is also significant to note the crucial role the company has played in implementing the Gold for Oil program introduced by the Vice President, H.E. Dr. Alhaji Mahamudu Bawumia. This policy addresses the pressures on the exchange rate, rising petroleum prices, and inflation, which lead to increased prices of goods and services in the country.

Through the company's efforts, the price of AGO, which averaged about GHS 18 in January 2023, decreased to about GHS 13 in December 2023. This brought relief to Ghanaians and encouraged competitive pricing of imported petroleum products. The leadership exhibited by the Board and Management of BOST in this initiative is worthy of mention.

As Minister for Public Enterprises overseeing SIGA, I am pleased with BOST's growth, which aligns with my mandate to address loss-making, high indebtedness, non-performance, and collapse of State Enterprises. My office, in collaboration with SIGA and the Ministry of Finance, has enhanced the capabilities of Boards and CEOs through corporate governance training and provided restructuring recommendations, as demonstrated by BOST's success. Additionally, we introduced the Public Enterprises League Table (PELT) to promote competition among Public Enterprises.

BOST's success confirms my belief that with the right management, SOEs can leverage their substantial assets to generate significant profits and provide dividends to the government. In view of this, it is crucial for management to embrace technology, improve services, and innovate products in alignment with the government's digitalization agenda.

As BOST nears the completion of its 2020-2024 strategic plan, I encourage the management to roll out the next phase of the BOST plan to further drive growth. I have been informed of your decision to focus on the impact of the energy transition on your business and the initiatives that you have planned to implement. These initiatives will ensure the long term sustainability and viability of the BOST business. I hereby reaffirm my commitment to supporting BOST in sustaining this remarkable achievement and my doors are always open for discussions and assistance.

Once again, I commend the Board, Management and Staff for your hard work in turning around BOST. Your achievements serve as a model for other state enterprises to emulate. Continue demonstrating this excellence for the benefit of the government and shareholders. I thank you



BOST Export Terminal at Bolgatanga in the Upper East Region



ADDRESS BY THE DIRECTOR GENERAL OF THE STATE INTERESTS AND GOVERNANCE AUTHORITY (SIGA)

MR. JOHN BOADU, ESQ.

The Honourable Minister for Energy, The Honorable Minister for Public Enterprises, the Board of Directors of BOST, Senior Management and Staff of BOST present here today, distinguished guests, Ladies and Gentlemen, it gives me great pleasure to stand before you today as the Director-General of State Interests and Governance Authority (SIGA) on this momentous occasion of the 3rd Annual General Meeting of BOST. As the DG of SIGA, this is particularly a major milestone for me as it marks the first AGM that I am attending.

On behalf of myself, the Board, and the Management of SIGA, I would like to begin by commending the Board of Directors, Management and staff of the Bulk Energy Storage and Transportation Limited Company (BOST) for their unwavering determination and resilience in ensuring the company transitions from its previous state of consistent losses to its current state of consistent profitability and ensuring that the shareholder receives value from the investment. It is instructive to note that, from a position of consistent losses from 2013 to 2020, with the highest loss recorded in the year 2016 at GHS459 million, the company has now made a 'hatrick' of profits from 2021 through to the 2023 financial year. I further note, that despite the passage of time and the increasing prices in the country, management has been able to keep the administrative expenses at a level

which in 2023 is still lower than the GHS538 million in 2016. I dare say the magic is in deliberate efforts at doing what is right for the country and its people.

Arithmetically, if the administrative expenses for any of the three years of profits had stayed at the 2016 level of GHS538 million, the company would have repeated the consistent losses over the three years in focus, thus, 2021 to 2023. This performance we are gathered here to celebrate today is therefore the output of superior cost consciousness and courage at defying the odds to do what is right for the country.

Congratulations!

This strong and nation-focused leadership of the company is further evident in the role that BOST has played in implementing the Gold for Oil Program (G4O), which addresses forex fluctuations, rising inflation and its attendant impact on the prices of petroleum products at the pump.

Reflecting on the past year, it is noteworthy that the price of a litre of AGO, which previously exceeded GHS 18, now averages GHS 14 due to the effective implementation of the program. This underscores the significant role of BOST in stabilizing petroleum product prices across the country.

I have taken notice of the performance of BOST particularly over the past three years during which you have maintained profitability. Reviewing the 2023 audited financial statements, I am pleased to note that the company has maintained its profitability, with a profit of GHS 208,011,455 despite having to reduce its margin per sale of petroleum products to ensure lower prices for consumers at the pump.

At SIGA, we are confident in BOST management's ability to further increase the profitability of the company in the coming years. We also commend the Board, Management, and staff for increasing the equity position of the company from a negative equity of GHS 248 million in 2021 to GHS 277 million in 2023, positioning the company on the path to pay increased dividends to the shareholder. This success strengthens my confidence in the potential of all State-Owned Enterprises to pay dividends to the government and remain profitable.

While acknowledging the fiscal and infrastructural challenges, we firmly believe there is room to improve financial performance and drive further growth. With innovative thinking, perseverance, and teamwork from all stakeholders, even more can be achieved.

We at SIGA have always maintained that when the interest of the Board of Directors aligns with Government's interest and management interest is aligned with Board's interest, then we are sure that we are going to see the kind of success story that we are witnessing today in BOST.

On this note, I would like to reiterate the Government's commitment to supporting SOEs growth, demonstrated by the formation of the State Interests and Governance Authority (SIGA). At SIGA, our objective is to facilitate and promote performance management in Specified Entities (SEs) within the framework of Government policy, ensuring they operate efficiently, effectively, and profitably, thereby contributing to the socio-economic development of Ghana. SIGA, as a central oversight body, remains dedicated to a continued partnership with BOST on its growth strategy.

Looking forward, I remain optimistic that BOST, on this path, will continue to create lasting value for its stakeholder, moving ever closer to realizing its vision of being the number one fuel and logistics business in the sub-region.

I Thank you for your attention



Pump Station at Buipe Depot



BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 and Political Science respectively. He was awarded a Bachelor of Science degree in Economics (International Trade and Development) in 1984.

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

His early working experience included working as a trainee at the commodity broking companies V. Berg & Sons and EDF & Man in London, U.K. during vacation periods at the LSE, and as an Economics Officer in the Research department of the Bank of Ghana from 1986 to 1987. He joined the family business Ukays Commercial Associates Limited as Administrative and then Managing Director from 1987 to 2002. He was later the Managing Director of Brenel Limited from 2002 to 2009 providing Business Consultancy services to Multinational companies such as Alcatel-Lucent in the Telecommunications, Energy, Water and Defence sectors.

At the same time Mr Hackman was running Ukays Tropical Products Limited which was established in 1987 to produce pineapples and mangoes for export. In 2003 this became Unifruit Limited, a free zone pineapple

production and export company at Bawjiase, Central Region, with joint Ghanaian and German participation. He remained the managing director until 2014 when he sold his shares in the company.

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

Mr Hackman has also served as a Director of Gold Coast Refinery Limited and Chairman of the Steering Committee of Euroget De Invest, an Egyptian company involved in the construction of hospitals in Ghana.

Much of his working life has been spent in providing consultancy services to multinational companies involved in turn-key projects in the Telecommunications, Construction, Electricity and Water distribution sectors.

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

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



BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2023

**DR. EDWIN ALFRED PROVENCAL,
MANAGING DIRECTOR**

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

He has over 18 years' experience in Executive Management roles in various organizations including serving as Chief Executive Officer (CEO) of Vodafone Wholesale/National Communications Backbone Company and Director of Strategy in Vodafone Ghana. Under his leadership, Vodafone leapfrogged from #3 to #2 in Revenue Market Share in the telecoms industry.

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

Dr. 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.

Dr. 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 September 2023, Dr. Edwin Alfred Provencal graduated with a Doctor of Philosophy in Development Economics from the University of Ghana, Legon.

BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2023



MR. EMMANUEL TANDOH

In 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 Energy Storage and Transportation Limited Company (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.

Head of Department of Sociology and Social Work and Dean, Faculty of Social Sciences. 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 2023



MRS. JOYCE AGYEMANG ATTAFUAH, ESQ.

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

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

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

She is a member of Ghana Bar Association.



MR. BRIGHT OKYERE-ADJEKUM, ESQ.

Mr. Okyere-Adjekum is a distinguished lawyer with over 20 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 2023



HON. DR. NANA YAW AFRIYE-MP

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

He obtained an MB ChB, a 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 2023



OHENEBA OWUSU AFRIYIE IV

Oheneba Owusu Afriyie IV known in private life as Mr. Kojo 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 2023



Dr. 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 Acquah
HOD - Audit Department



Mr. Marlick Adjei
HOD - Corporate Communications & External Relation



Mr. Fred Ayarkwa
Technical Advisor to the MD



Mr. Prince Charles Afun
HOD - Procurement Department



Ms. Maame Pokua Appiah
HOD - MD's Secretariat



Mr. Kwabena Brobbey Appiah
HOD - IT



Lt Cdr Tonny Osei-Agyeman (Rtd)
HOD - Corporate Security



ADDRESS BY THE BOARD CHAIRMAN

**MR EKOW HACKMAN,
BOARD CHAIRMAN**

Good morning ladies and gentlemen, I extend a warm welcome to all of you gathered here today for the 2023 Annual General Meeting of the Bulk Energy Storage and Transportation Limited Company (BOST). A special welcome goes to our distinguished guests representing our shareholder, the government of Ghana: the Honourable Minister of Energy Dr Matthew Opoku Prempeh, the Honourable Minister for Public Enterprises, Joseph Cudjoe, the Director-General of the State Interests and Governance Authority (SIGA), John Boadu. I am also pleased to be in the company of my fellow Board members, management and staff of BOST and our invited guests.

It is a privilege to address you today as the Board Chairman of BOST. I am pleased to inform you that in spite of significant challenges in 2023, the company was able to consolidate the gains chalked in previous years. The overriding objectives of the Board have been to reverse the trend of loss-making which plagued the company through a large part of its history and to lay the foundations for sustainable growth and profitability into the future. Ladies and gentlemen, it is our belief that these objectives have been met.

Economic Outlook and Business Environment

2023 was a year of continued economic turbulence with adverse global conditions impacting the domestic landscape. Ghana entered an IMF program during the year with debt sustainability as its main objective. A \$3 billion

facility to be disbursed over 36 months was secured by the government and with the successful completion of a Domestic Debt Exchange, the first tranche of \$600 million was received in 2023.

Real GDP growth slowed to 3.3 percent in 2023, down from 5.4 percent in 2022. The Ghanaian Cedi depreciated sharply against major foreign currencies, with a fall of 15.6 percent against the U.S. Dollar but inflation declined to 23.2 percent by the end of 2023, having peaked at 54.1 percent in December 2022. These economic conditions impacted the downstream oil sector, leading to a contraction in the consumption of petroleum products. In spite of this, BOST remained resilient with strong financial results for the year.

Consolidating the Gains and Strategic Initiatives

BOST has been through a transformative journey over the past four years, with the implementation of strategic initiatives that have greatly enhanced our operational efficiency. These have centered on the repair of critical infrastructure such as tanks and pipelines as well as the upgrading of the company's Human Resources through the implementation of a Performance Management System and capacity building. 2023 saw the implementation of a new Enterprise Strategic Risk Management Software. Training of management and Staff is underway with Board members also part of the program.

The Depot Upgrade Project, which aims to enhance operational efficiency by reducing turnaround times of Bulk Road Vehicles (BRVs) and increasing throughput of fuel products through automation, remains the cornerstone of our strategic plan. The First Phase of this project, covering the Accra Plains and Kumasi Depots, is scheduled for completion by September 2024. Once complete, this project will enable a 150 percent increase in our depot throughput and further improve asset utilisation.

The company has also completed the Front-End Engineering Design (FEED) for the Tema Kumasi Pipeline with the Engineering, Procurement and Construction (EPC) phase planned for 2025. This project will be critical in reducing our carbon footprint and diversifying the company's revenue streams. The search for strategic partners to construct this vital infrastructure, which will further enhance our operational capacity and support government policies such as job creation, is underway.

As we near the completion of the 2020-2024 strategic plan the company is poised to roll out the next phase of its growth strategy. The focus will be on the impact of the energy transition on the company's business and the implementation of initiatives that ensure the sustainability and viability of BOST. We are committed to embracing technology, improving services, and diversifying products in alignment with the government's carbon reduction and digitalisation agenda.

Vital for the future are the addition to the company's infrastructure through the Tema to Kumasi pipeline, the 12 inch Pipeline from Tema to Akosombo; the diversification of its product line to include Liquefied Petroleum Gas (LPG) for which the FEED has been completed; and the acquisition of additional marine barges to enhance the capacity of the company's export corridor to the north of the country. There are also plans to complete the automation of all remaining depots once the Accra Plains and Kumasi depots have been completed.

Financial and Operational Performance

The overall financial performance of BOST continues to see remarkable improvement as a result of prudent management. The company's equity position strengthened from a negative position of GHS 248 million in 2021, to a positive position of GHS 277 million in 2023, thus providing a solid foundation for future growth. A profit of GHS 208 million was recorded in 2023. This compares to GHS 342 million in 2022 and GHS 160 million in 2021, a cumulative profit of GHS 710 million over the past three years.

In emphasising this trend of profitability, it is important to highlight the unique role of BOST in the Government's GOLD FOR OIL(G4O) Program. G4O, introduced under the administration of the Bank of Ghana, was aimed at mitigating the impact of Foreign Exchange fluctuations and rising inflation. Its operation in 2023 resulted in a reduction in the price of a litre of Diesel from over GHS 23 to an average of GHS 14. The reduction in profitability of the company as compared to 2022 should therefore be seen in the context of government's deliberate policy to cushion the Ghanaian consumer from the adverse effects of imported inflation. This could not have been achieved were BOST a purely privately owned entity. The management of the company is to be commended in playing this vital role in assisting in the implementation of this strategic government policy whilst at the same time meeting the operational and investment obligations of the company.

Volumes of fuel products traded by BOST increased by 235 percent from 318.3 million litres in 2022 to 1.1 billion litres in 2023. Under the G4O program BOST received a fee for trading the requisite volumes of products from Bank of Ghana with revenue recognition as well as expenditure passing to the Bank of Ghana. This was unlike the company's usual trading activity where revenues and costs of the fuel trade are recognised in the company's books. Nevertheless, the increase in turnover represented by the G4O trade was of a magnitude of 237 percent from GHS3.02 billion which was achieved in 2022 to GHS10.17 billion in 2023. The company's market share increased to 29 percent in 2023 from 8 percent in 2022. The value of fixed assets also increased from GHS 1.478 billion in 2022 to GHS1.620 billion in 2023.

Governance and Compliance

Good governance remains a cornerstone of our corporate philosophy. Over the past year, we have strengthened our board sub-committees, particularly in areas of risk and audit. Our risk management framework is now more comprehensive, helping us to anticipate and mitigate potential challenges more effectively. The objective of these reforms is to assure all stakeholders, including most importantly our shareholder, that the company operates under the highest levels of Integrity, Transparency and Accountability. Reforms have also been introduced in the Procurement Department to minimise the number of infractions and achieve the highest level of compliance with Public Procurement legislation.

Health, Safety, Security, and Environment

Ensuring a safe and conducive working environment remains an overriding priority. In 2023, we provided appropriate Personal Protective Equipment (PPEs) to all operational staff and conducted regular reviews of depot risk registers. Investments in security, such as the Leak and Intrusion Detection system for the Tema Akosombo Petroleum Pipeline, demonstrate our commitment to safeguarding the company's facilities as well as protecting the environment. We have also upgraded security through the establishment of a dedicated Security Unit to handle the physical and cyber security threats that confront the company. Indeed, these interventions have already saved the company from significant losses on the Tema Akosombo corridor.

BOST is registered with the Cybersecurity Authority and has contributed to the creation of the Energy Sector Computer Response Team (CERT) under the Ministry of Energy. The company also engaged the services of an Information Technology Consulting firm in 2023 to redesign and strengthen its I.T. Infrastructure and is in the process of implementing the recommendations made to provide the necessary security for its I.T. systems.

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) initiatives align with the United Nations Sustainable Development Goals (SDGs). In 2023, we awarded scholarships to 50 financially deprived engineering students and conducted data collection exercises in schools within our operational zones to enhance learning. Our contribution to the Green Ghana Project and other CSR activities underscores our commitment to being good corporate citizens. I am pleased to report that our CSR efforts are making a tangible difference in the communities we serve.

Environmental, Social, and Governance (ESG)

The Board has made a clear commitment to adopting Environmental, Social, and Governance (ESG) principles in the company's operations and we have embarked on their integration in our decision-making processes. Board members, senior and middle-management have all been trained and equipped with the requisite knowledge and skills. This is in line with global best practice and will stand the company in good stead.

Outlook

Investment in the human capacity of the company to foster a culture of continuous development and learning, the adoption of new technology, including Artificial Intelligence (A.I.) to enhance efficiency and productivity and the diversification of energy products will be key to managing the Energy Transition, which is required to achieve net zero carbon emissions. The company's next Strategic Plan should be centered around these broad policies.

The Board is in no doubt that BOST is well-placed to continue on a path of growth and profitability based on a well-trained and motivated staff, first class infrastructure and a commitment to good corporate governance as well as a sense of nationalism.

An indispensable input in the cocktail of success is skilful and dedicated management and, in this respect, BOST has been fortunate to have an astute and highly committed managing director, Dr. Edwin Provencal. The success of the company has in large part been due to him and his ability to build a positive "esprit de corps" amongst the staff and general workforce and the Board wishes to recognise his special contribution here.

BOST may be described as a case study of a successful corporate turnaround to be analysed in business schools. Ladies and Gentlemen, I say this within the context of a very strong half year performance in 2024, which promises to be the best to date. It is the hope, prayer and expectation of the board that this performance will be continued to the end of the year and improved upon well into the future.

Conclusion

In conclusion, I wish on behalf of the board to express my sincere appreciation to the President of the Republic, Nana Addo Dankwa Akufo-Addo, his Honourable Ministers, the Director-General of SIGA, and all stakeholders for their unwavering support. My appreciation also goes to my fellow board members including the managing director and other members of management and staff of BOST for their hard work and dedication.

May The Good Lord continue to Bless us and the work of our Hands.

I thank you All for your kind attention.



PELT AWARDS

2ND EDITION



LEAGUE TABLE

1. FOOD AND DRUGS AUTHORITY
2. GHANA CIVIL AVIATION AUTHORITY
3. GHANA NATIONAL PETROLEUM CORPORATION
4. BULK OIL STORAGE AND TRANSPORTATION LTD.
5. GHANA IRRIGATION DEVELOPMENT AUTHORITY
6. GHANA STANDARDS AUTHORITY
7. GHANA SHIPPERS AUTHORITY
8. GHANA AIRPORTS COMPANY LIMITED
9. VOLTA RIVER AUTHORITY
10. GHANA BROADCASTING CORPORATION
11. GAMING COMMISSION OF GHANA
12. GHANA MARITIME AUTHORITY
13. ENVIRONMENTAL PROTECTION AGENCY
14. TDC DEVELOPMENT COMPANY LIMITED
15. VOLTA LAKE TRANSPORT COMPANY LIMITED
16. GHANA WATER COMPANY LIMITED
17. GHANA NATIONAL GAS COMPANY LTD
18. GHANA GRID COMPANY LIMITED
19. FORESTRY COMMISSION
20. GHANA PORTS & HARBOURS AUTHORITY
21. GRAPHIC COMMUNICATIONS GROUP LIMITED
22. GHANA SUPPLY COMPANY LIMITED
23. DRIVER VEHICLE AND LICENSING AUTHORITY
24. ELECTRICITY COMPANY OF GHANA LTD
25. NORTHERN ELECTRICITY DEVELOPMENT COMPANY LIMITED
26. GHANA POST COMPANY LIMITED
27. GHANA HIGHWAY AUTHORITY
28. METRO MASS TRANSIT LIMITED
29. BUI POWER AUTHORITY
30. GHANA METROLOGICAL AGENCY
31. STATE HOUSING COMPANY LIMITED
32. COMMUNITY WATER & SANITATION AGENCY
33. GHANA COMMODITY EXCHANGE
34. GHANA INTEGRATED ALUMINIUM DEVELOPMENT CORPORATION
35. NATIONAL FOOD BUFFER STOCK COMPANY LIMITED
36. PSC TEMA SHIPYARD
37. GHANA CYLINDER MANUFACTURING COMPANY LTD
38. GHANA EXPORT PROMOTION AUTHORITY
39. GRAINS & LEGUMES DEVELOPMENT BOARD
40. GHANA RAILWAY COMPANY LIMITED (GRCL)
41. PRECIOUS MINERALS MARKETING COMPANY
42. CONSOLIDATED BANK GHANA
43. GHANA PUBLISHING COMPANY LIMITED
44. GIHOC DISTILLERIES COMPANY LIMITED
45. GNPA LTD
46. GHANA AIDS COMMISSION
47. GHANA COCOA BOARD
48. WATER RESOURCES COMMISSION
49. DATA PROTECTION COMMISSION
50. NATIONAL THEATRE OF GHANA
51. TEMA OIL REFINERY
52. SIC-LFE
53. IRRIGATION COMPANY OF UPPER REGIONS
54. GHANA ENTERPRISES AGENCY
55. ARCHITECTURAL & ENGINEERING SERVICES UNITED
56. PRODUCE BUYING COMPANY LIMITED
57. NATIONAL INFORMATION TECHNOLOGY AGENCY
58. NEW TIMES CORPORATION
59. KUMASI ABBATOIR COMPANY LIMITED
60. INTERCITY STC LIMITED
61. NORTHERN DEVELOPMENT AUTHORITY
62. GHANA NEWS AGENCY
63. GHANA WOMEN FUND
64. VENTURE CAPITAL TRUST FUND



ADDRESS BY THE MANAGING DIRECTOR

**DR. EDWIN ALFRED PROVENCAL,
MANAGING DIRECTOR**

The Honourable Minister of Energy, Dr. Matthew Opoku Prempeh, the Honourable Minister for Public Enterprises, Hon. Joseph Cudjoe, the Director-General of the State Interests and Governance Authority (SIGA), John Boadu, my board chairman, Mr. Ekow Hackman, my colleague board members, management, and staff of BOST, on behalf of the Board of Directors, I would like to extend a warm welcome to all of you to our Annual General Meeting.

Reflecting on Our Journey

As I look back on the year 2023, 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. Our journey over the past four years has been transformative because the journey has been guided by our 5 year strategy.

The Strategy is Working

When we began our 5-Year Turn-around Strategy journey in 2020, our primary focus was on two key pillars; Enhancing Operational Excellence and Aggressively Growing the Business. These pillars were underpinned by rebranding our Corporate Image and creating a Great Corporate Culture. We firmly believe that "only what gets measured gets managed," and as such, we measured our success through four key metrics: Customer/Stakeholder Satisfaction, Turnaround Time,

Asset Utilization and Revenue Market Share. I am proud to state that we achieved our 2024 revenue target of GHS 3 billion in 2022, and we are on track to achieve the remaining targets by 2024.

Reflecting on the past year, BOST has continued to build on its strong foundation of profitability which was laid at the start of the five year strategy. From a negative equity position of GHS 248 million in 2021, we have progressed to a positive equity position of GHS 277 million in 2023. This remarkable turnaround has been driven by our consistent profitability, with declared profits of GHS 160 million in 2021, GHS 342 million in 2022, and GHS 208 million in 2023.

More importantly, during 2023, we invested more than GHS 206 million in our long-term growth and operational efficiency projects including the depot automation and upgrade, to ensure we maintain our momentum towards achieving our 2020-2024 strategy.

Strategic Achievements and Initiatives

Our role in stabilizing petroleum product prices through the Gold for Oil Program has been a significant highlight. The effective implementation of this program has mitigated the impact of forex fluctuations and rising inflation, resulting in a reduction in the price of a litre of petrol at the pump. This initiative has provided much-needed relief to Ghanaians and reinforced our position as a key player in the energy sector.

One of our key growth initiatives focuses on Human Capital development. We believe that our human capital is the most critical asset of the company. It is very heartwarming to note that during the year 2023, 431 staff of the company, representing about 89% of the total staff, received world-class training both locally and internationally.

The implementation of a performance management system across the business, coupled with the introduction 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 2023. This culture has come to stay! In ensuring that the performance culture is entrenched, we have adopted the Executive Strategy Manager (ESM) software for the tracking our strategy performance across the business as well as employee performance.

In response to the global emphasis on climate change and energy transition, BOST has commenced the process of realigning its focus to meet the new trends.. We will continue to explore new markets within the sub-region for petroleum products while at the same time preparing 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 and blended ethanol. Additionally, we have begun the journey to embed Environmental, Social, and Governance (ESG) goals within our operations through capacity building at the board level and management level.

Governance and Compliance

Our governance performance was significantly enhanced when the company placed 4th among over 100 SOEs, OSEs, and JVCs on the Public Enterprises League Table (PELT). The company also placed 2nd among the Energy Sector Companies and was awarded the Governance Excellence Award in the Energy Sector at the 5th IOD-GH Corporate Governance Excellence Award 2023.

The Managing Director was awarded the 2023 Petroleum CEO of the Year at the Ghana Energy Awards 2023, Bulk Oil Distribution CEO of the Year, and Outstanding Public Leadership in the Public Sector award at the 2023 Ghana CEO Summit. These awards are testament to the success of the BOST Turnaround Strategy.

Looking Forward

I am excited to see our strategy yielding the required gains for the shareholder and the Ghanaian taxpayer. I believe that the company has a very bright 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 (2014-2023)

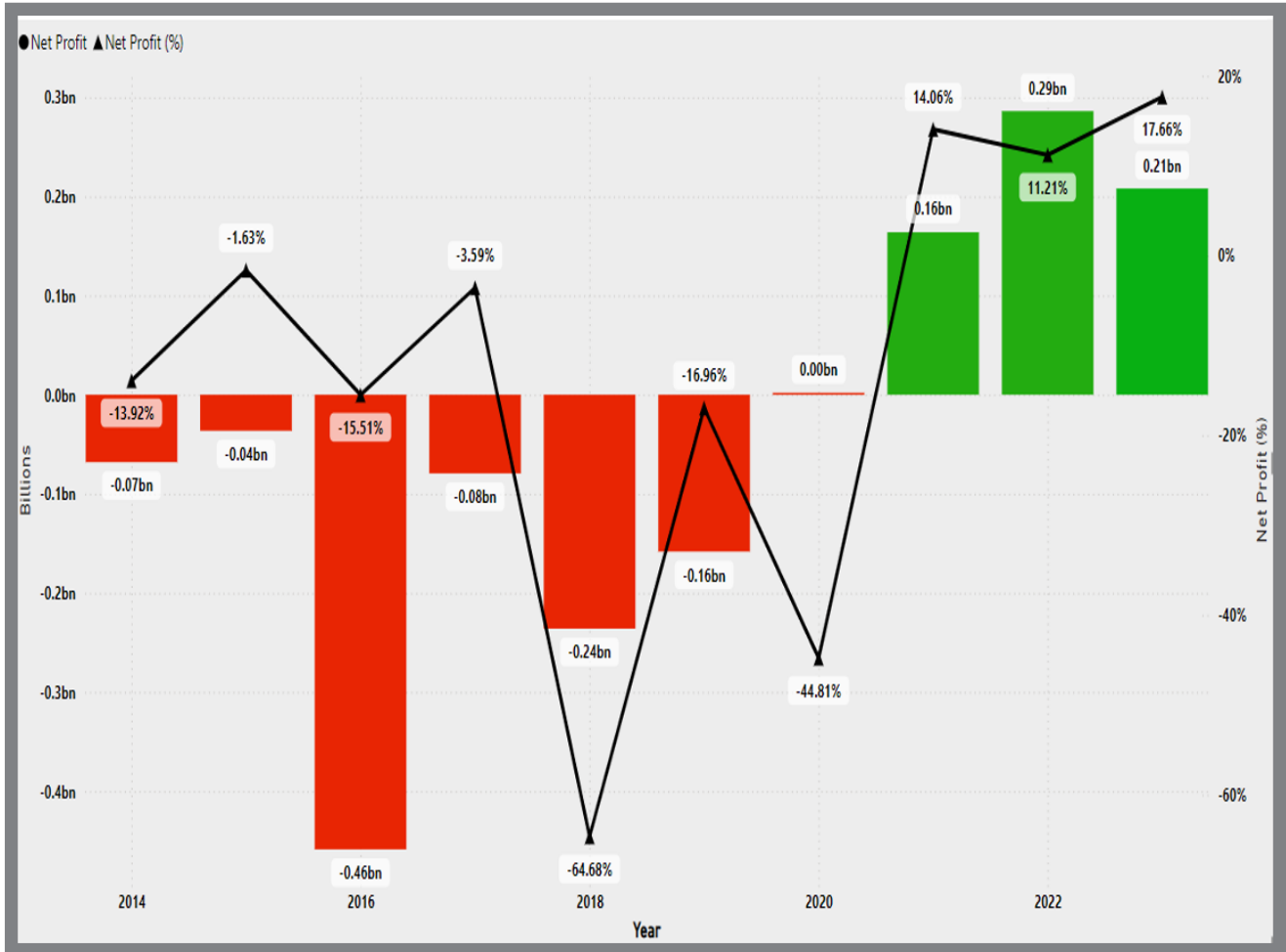


Figure 1: Financial Performance briefly (2014-2023)

CORPORATE EVENTS AND ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023



MD RECEIVES ENERGY PERSONALITY OF THE YEAR 2023 FROM THE PRESIDENT OF THE REPUBLIC H.E. NANA ADDO DANKWA AKUFO-ADDO



MANAGEMENT AND STAFF WITH MD AT THE AWARD CEREMONY



MD RECEIVED THE 100 MOST INFLUENTIAL PEOPLE AWARDS 2023



BOST HR WINS THE HR BUSINESS LEADER OF THE DECADE



MD IN A GROUP PICTURE WITH SAVELUGU BOOSTER STATION STAFF AFTER HIS MID-YEAR ENGAGEMENT



AKOSOMBO MAMI WATER DEPOT STAFF AFTER HIS QUARTERLY ENGAGEMENT

CORPORATE EVENTS AND ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023



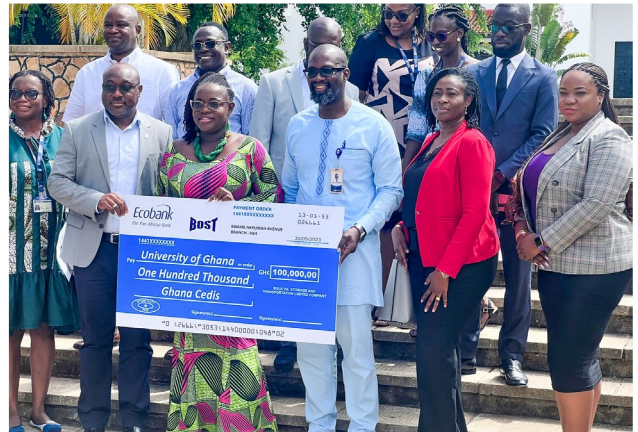
BOST PRESENTS RELIEF ITEMS TO THE NADMO COORDINATOR IN THE SAVANNA REGION



BOST SUPPORTS AKOSOMBO FLOODS VICTIMS



SOME OF THE ITEMS PRESENTED TO THE FLOOD VICTIMS



BOST DONATES TO UNIVERSITY OF GHANA TO SUPPORT ONE STUDENT ONE LAPTOP POLICY



BOST DONATES CHAIRS AND DESKS TO ACCRA ACADEMY



WORKERS RECEIVING THE PIG FROM THE RECOMMISSION TAPP

CORPORATE EVENTS AND ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

GHANA ENERGY AWARDS 2023 WINNERS
Congratulations

COMPETITIVE CATEGORIES

- 1. Energy Personality of the Year (Male):**
Edwin Provencal – Managing Director, BOST
- 2. Energy Personality of the Year (Female):**
Kadijah Amoah – Chief Executive Officer, Pecan Energies Ghana
- 3. CEO of the Year (Power):**
Samuel Dubik Masubir Mahama - Managing Director, ECG
- 4. CEO of the Year (Petroleum):**
Dr Ben K. D. Asante – Chief Executive Officer, Ghana National Gas Company
- 5. Energy Company of the Year (Power):**
Ghana Grid Company
- 6. Energy Company of the Year (Petroleum):**
Bulk Oil Storage and Transportation Company
- 7. Energy Company of the Year (Renewable):**
Meinergy Technology
- 8. Energy Institution of the Year:**
Energy Commission
- 9. Energy Transition Most Valuable Player (MVP) Award:**
Dr Ben K. D. Asante – Chief Executive Officer, Ghana National Gas Company
- 10. Rising Star Individual:**
Bradley Poku Amankwah – Principal Coordinator (Acting), Ghana Energy Transition Office, Sustainable Energy for All
- 11. Rising Star Company:**
Cubica Energy
- 12. Green Chief Trailblazer Award:**
Wisdom Ahiataku-Togobo – Director (Renewable Energy), Bui Power Authority
- 13. Energy Signature Award:**
Thomas Manu – Board Member, GOIL PLC
- 14. Visionary Leadership Award:**
Ing. Oscar Amonoo-Neizer – Executive Secretary, Energy Commission
- 15. Innovation Project of the Year:**
Public Utilities Regulatory Commission
- 16. Energy Reporter of the Year:**
Emmanuel Aboagye-Wiafe (Asaase Radio)
- 17. Energy Think Tank of the Year:**
Africa Centre for Energy Policy
- 18. Energy Advocate of the Year:**
Benjamin Boakye – Executive Director, Africa Centre for Energy Policy
- 19. Health, Safety and Environment Excellence Award:**
Tullow Ghana
- 20. Excellence in Power Generation:**
Takoradi International Company
- 21. Clean Energy Initiative of the Year:**
Bui Power Authority
- 22. Energy Investment Impact Award:**
Japan International Cooperation Agency
- 23. Off-Grid Energy Solution of the Year:**
Dutch & Co
- 24. Energy Access Leadership Award:**
African Development Bank
- 25. RE Infrastructure Project of the Year:**
Bui Power Authority
- 26. Diversification Pioneer Award:**
TotalEnergies Marketing Ghana PLC
- 27. Brand of the Year:**
PETROSOL Ghana
- 28. Corporate Social Responsibility of the Year:**
Volta River Authority

NON-COMPETITIVE CATEGORIES

- 1. Women In Energy Excellence Award:**
Ing Sophie Abena Tijani, FGHIE - Vice President, Ghana Institution of Engineering
- 2. Lifetime Achievement Award:**
Dr Alfred Ofoosu-Ahenkorah
- 3. Exemplary Leadership Award:**
Dr Mustapha Abdul-Hamid - Chief Executive, National Petroleum Authority
- 4. Osagyefo Young Leadership Award:**
Dr Bright Mawuko Sogbadji - Deputy Director Power (Nuclear and Renewable Energy), Ministry of Energy
- 5. West Africa Exceptional Leadership Award:**
Hon Monie R. Captan - Chief Executive Officer, Liberia Electricity Corporation
- 6. Ghana Energy Awards (GEA) Hall Of Fame:**
Ing Emmanuel Antwi-Darkwa - Chief Executive, Volta River Authority
- 7. Transformational Business Excellence Award:**
Joseph Kweku Horgle - Chief Executive Officer, JK Horgle Transport and Company

GHANA ENERGY AWARDS '23'

7th EDITION

CORPORATE EVENTS AND ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023



THE MINISTER OF ENERGY, THE BOARD CHAIRMAN, THE MD, AND CLERGY MEN AT THE 30TH ANNIVERSARY SERVICE



BOARD CHAIRMAN, MR. EKOW HACKMAN LEADS THE BOST TEAM INTO THE CHURCH SERVICE



BOST WINS BRAND OF THE YEAR AT THE 2ND NATIONAL BRANDS AWARDS



EMPLOYEE GAMES AFTER LINE MANAGERS CONFERENCE



THE WINNING TEAM WITH THE TROPHY AT THE LINE MANAGERS GAMES

CORPORATE EVENTS AND ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023



BOST TAKES AFFORESTATION TO THE AKOSOMBO DEPOT



STAFF ACROSS THE BUSINESS SUPPORT THE TREE PLANTING EXERCISE



WHEN THE LAST TREE DIES THE LAST MAN DIES



OWN IT, NURTURE IT, AND SUSTAIN THE ENVIRONMENT



SUSTAINING THE ENVIRONMENT WITH TREE PLANTING EXERCISE ACROSS THE DEPOTS



ALL HANDS ON DECK

CORPORATE EVENTS AND ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023



H.E VICE PRESIDENT DR. MAHAMUDU BAWUMIA COMMISSIONED BOST NEW HEAD OFFICE



MD WINS CEO OF THE YEAR FOR BULK DISTRIBUTION AT THE CEO SUMMIT IN ACCRA. THE AWARD IS PRESENTED BY THE FORMER PRESIDENT, JOHN MAHAMA



DR. ALHAJI BAWUMIA WITH SOME PAST AND PRESENT MANAGING DIRECTORS OF BOST AT COMMISSIONING OF THE HEAD OFFICE IN ACCRA



SOME TRADITIONAL LEADERS IN THEIR FULL REGALIA AT THE COMMISSIONING CEREMONY



OUTSTANDING PUBLIC SECTOR LEADERSHIP AWARD & THE CEO OF THE YEAR AWARD GIVEN TO DR. PROVENCAL BY THE CEO SUMMIT 2023

BOARD OF DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors have the pleasure of presenting this annual report together with the audited financial statements of Bulk Energy Storage and Transportation Limited Company ('the Company' or 'BOST') to the Government of Ghana for the year ended 31 December 2023.

Statement of directors' responsibilities

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

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

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

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

Nature of business

BOST has the mandate:

To develop a network of storage tanks, pipelines and other bulk transportation infrastructure throughout the country.

- To rent or lease out part of the storage facilities to enable it to generate income.
- To keep Strategic Reserve Stocks for Ghana
- To own, manage and develop a national network of oil pipelines and storage depots

- To manage the "Zonalisation" policy of the National Petroleum Authority (NPA)
- To serve as the Natural Gas Transmission Utility (NGTU)
- To develop the Natural Gas Infrastructure throughout the country

Financial results

The Company's net profit attributable to the Government of Ghana for the year is GH¢208.01 million as against net profit of GH¢342.49 million for 2022.

The components of financial statements for the year ended 31 December 2023 are set out on page 32 to 62.

Corporate social responsibilities

The company contributed an amount of GH¢1,412,070 towards its corporate social responsibility activities during the year with key focus on education, health, environmental protection, flood victims of the Akosombo Dam spillage and poverty reduction.

Capacity building of directors

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

Directors' interest

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

The Directors wish to inform the shareholder that since the last Annual General Meeting no member has resigned from the Board.

Dividend

The directors do not recommend payment of dividend for the year ended 31 December 2023.

Going concern

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

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The Bulk Energy Storage and Transportation Limited Company 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 as a sub-committee of the Board is made up of two non-executive directors, the Managing Director and two appointees of regulatory agencies such as the Institute of Chartered Accountant, Ghana

and the Internal Audit Agency. Its term of reference is derived from The Public Financial Management Act, and they report to the board. The role of this Committee among others includes providing oversight of the independence of financial reporting process and objectivity of the external auditor, internal financial process, compliance with laws and regulations and the safeguarding of assets.

Systems of Internal Control

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

Code of Business Ethics

Management has communicated the principles in the company's Code of Conduct to its employees in the discharge of their duties. This code sets the professionalism and integrity required for business operations which covers compliance with the law, conflicts of interest, environmental issues, obligations of business partners, reliability of financial reporting, bribery and strict adherence to the principles 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 ENERGY STORAGE AND TRANSPORTATION LIMITED COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2023



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

Opinion

We have audited the financial statements of Bulk Energy and Storage Transportation Limited Company set out on pages 35 to 61, which comprise the statement of financial position as at 31 December 2023, 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, 2023, and its profit or loss and other comprehensive income, and its cash flows for the year then ended, in accordance with International Financial Reporting Standard Standards (IFRS), the requirement of the Companies Act 2019 (Act 992), the Public Financial Management Act, 2016 (Act 921) and Public Financial Management Regulations 2019, (LI2378).

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 Energy 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 Energy 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 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 with International Standards for Supreme Audit Institutions (ISSAIs) which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Bulk Energy 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 the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company's 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 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
 - i. 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
 - ii. 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.
 - iii. We are independent of the Company pursuant to section 143 of the Act.

JOHN GODFRED KOJO ADDISON
DEPUTY AUDITOR-GENERAL/CAD
for: AUDITOR-GENERAL
P. O. BOX M96
GPS: GA-110-8787
MINISTRIES BLOCK "O"
ACCRA, GHANA

Date: 23-05-2024

JOHN GODFRED KOJO ADDISON
 DEPUTY AUDITOR-GENERAL/CAD
 AUDIT SERVICE, ACCRA

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

| | | 2023 | 2022 |
|--|-------|--------------------|-----------------|
| | Note | GH¢ | GH¢ |
| Revenue | 5(i) | 1,153,103,112 | 3,019,464,812 |
| Cost of sales | 6 | (506,089,365) | (2,284,646,869) |
| Gross profit | | 647,013,747 | 734,817,943 |
| Other Income | 7 | 16,191,014 | 24,317,326 |
| General and Administrative expenses | 8 | (351,309,241) | (342,414,223) |
| Operating profit | | 311,895,520 | 416,721,046 |
| Finance income | 9 | 8,901,908 | 12,503,127 |
| Finance costs | 10 | (50,067,147) | (5,067,742) |
| Profit before income tax | | 270,730,281 | 424,156,431 |
| Taxation | 11(a) | (62,718,826) | (81,661,828) |
| Profit after income tax | | 208,011,455 | 342,494,603 |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss | | | |
| Changes in the fair value of investment instruments at fair value through other comprehensive income | 13 | (17,241,978) | (7,837,263) |
| Total comprehensive income | | 190,769,477 | 334,657,340 |

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

| | | 2023 | 2022 |
|--------------------------------------|----------|----------------------|----------------------|
| | Note | GH¢ | GH¢ |
| Non-current assets | | | |
| Property, plant and equipment | 12(a &b) | 1,619,522,701 | 1,478,243,048 |
| Investment securities | 13 | 117,558,939 | 134,800,917 |
| Total non-current assets | | 1,737,081,640 | 1,613,043,965 |
| Current assets | | | |
| Inventories | 14(a) | 248,988,080 | 441,118,176 |
| Trade and other receivables | 15 | 172,303,745 | 452,024,159 |
| Prepayments | 16 | 2,463,619 | 2,170,197 |
| Cash and cash equivalents | 17(a) | 110,618,081 | 296,978,594 |
| Total current assets | | 534,373,525 | 1,192,291,126 |
| Total assets | | 2,271,455,165 | 2,805,335,091 |
| Equity | | | |
| Share capital | 19 | 500,000 | 500,000 |
| Other reserves | 24(a&b) | 584,385,596 | 601,627,574 |
| Retained earnings | 25 | (307,649,578) | (515,661,033) |
| Total equity | | 277,236,018 | 86,466,541 |
| Non-current liabilities | | | |
| Loans and borrowings | 20 | 1,082,883,536 | 1,085,530,905 |
| Deferred tax | 11(d) | 169,855,871 | 185,336,400 |
| Total non-current Liabilities | | 1,252,739,407 | 1,270,867,305 |
| Current liabilities | | | |
| Loans and borrowings | 20 | 65,003,737 | 122,975,393 |
| Trade and other payables | 21 | 302,692,470 | 1,029,391,886 |
| Current tax | 11(b&c) | 299,516,205 | 222,080,182 |
| Employee benefit obligations | 22 | 4,713,754 | 4,000,210 |
| Provisions | 23 | 69,553,574 | 69,553,574 |
| Total current liabilities | | 741,479,740 | 1,448,001,245 |
| Total liabilities | | 1,994,219,147 | 2,718,868,550 |
| Total equity and liabilities | | 2,271,455,165 | 2,805,335,091 |



Chairman

Mr. Ekow Hackman

Date: 23rd May, 2024



Managing Director

Dr. Edwin Alfred Provencal (PhD)

Date: 23rd May, 2024

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | Stated capital GH¢ | Other reserves GH¢ | Retained earnings GH¢ | Total GH¢ |
|--|------|--------------------------|-----------------------|-----------------------------|--------------------|
| Year ended 31 December 2023 | | | | | |
| 01-Jan-23 | | 500,000 | 601,627,574 | (515,661,033) | 86,466,541 |
| Profit for the year | | - | - | 208,011,455 | 208,011,455 |
| Fair value loss on investment securities | 13 | | (7,241,978) | - | (17,241,978) |
| Balance as at 31 December 2023 | | 500,000 | 584,385,596 | (307,649,578) | 277,236,018 |
| Year ended 31 December 2022 | | | | | |
| 01-Jan-22 | | 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 | 13 | - | (7,837,263) | - | (7,837,263) |
| Balance as of 31 December 2022 | | 500,000 | 601,627,574 | (515,661,033) | 86,466,541 |

The prior year corrections related to reclassifications of prior year inaccurate balances of accounts payables.

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 31 DECEMBER 2023

| | | 2023 | 2022 |
|---|----------|----------------------|---------------|
| | Note | GH¢ | GH¢ |
| Cash generated from operating activities | 18 | 141,226,447 | 306,118,587 |
| Interest received | 10 | 8,901,908 | 12,503,127 |
| Interest paid on loan | | (50,067,146) | (5,067,742) |
| Income tax paid | 11(b) | (763,333) | (3,621,202) |
| Net cash generated from operating activities | | 99,297,876 | 309,934,770 |
| Cash flow from investing activities | | | |
| Proceeds from sale of Asset | 7 | 110,550 | 76,720 |
| Purchases of property, plant and equipment | 12(a& b) | (220,643,572) | (201,891,534) |
| Net cash used in investing activities | | (220,533,022) | (201,814,814) |
| Cash flow from financing activities | | | |
| Loan drawdowns | | 60,370,000 | 138,984,424 |
| Loan repayments | | (125,495,368) | (43,891,103) |
| Net cash used in financing activities | | (65,125,368) | (95,093,321) |
| Net increase / (decrease) in cash and cash equivalents | | (186,360,514) | 203,213,277 |
| Cash and cash equivalents 1 January | 17(a) | 296,978,594 | 93,765,317 |
| Cash and cash equivalents 31 December | 17(a) | 110,618,080 | 296,978,594 |

The notes on pages 39- 61 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. REPORTING ENTITY

Bulk Energy 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. The registered address of the Company is Plot No. 118 30 Gulf Street, South Legon, Accra-Ghana.

2. BASIS OF ACCOUNTING

2.1 *Statement of compliance*

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

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

2.2 *Basis of measurement:*

The financial statements have been prepared under the historical cost convention.

2.3 *Functional and presentation currency*

The financial statements are presented in Ghana cedis (GH¢), which is the Company's functional and presentation currency.

2.4 *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses.

Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are described in notes 4 (Determination of fair values) and 26 (Financial instruments – fair values and risk measurement)

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 difference between loss estimates and actual loss experience. Impairment allowances are recognised when there is objectively 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.

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.

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.

3.1.1 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:

3.1.2 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.

3.1.3 Revenue from services rendered

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

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

3.1.4 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 Energy Storage and Transportation Limited Company presents assets and liabilities in the statement of financial position based on current or 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.
- 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.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Bulk Energy Storage and Transportation Limited Company 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.

3.3.1 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'.

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

3.7 Borrowing costs

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

3.8 Provisions

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

3.9 Foreign currency transactions

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

Transactions and balances

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

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

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

Recognition and measurement

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.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised at the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, as incurred.

Depreciation

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 | 2 |
| 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.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use.

Derecognition

Derecognition Gains and losses on derecognition of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in profit or loss.

Capital work in progress

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.

Capital work in-progress Property, plant and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

Deadstock

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 are 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 other comprehensive income. 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 other comprehensive. 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 other comprehensive income, 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 or (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 or (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.

Impairment

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 2023 or 1 January 2023 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 Energy Storage and Transportation Limited Company'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 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 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 2023:

- 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.

3.19 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 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.

3.20 Standards issued but not yet effective

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
- 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. DETERMINATIONS OF FAIR VALUES

Some of the Company’s accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. The company regularly reviews significant unobservable inputs and valuation adjustments. When measuring the fair value of an asset or liability, the Company uses market observation data as far as

possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in determining fair values is included in Notes 13 and 26 financial instrument – fair values and risk management.

| 5. Revenue (i) | 2023 | 2022 |
|---------------------------|----------------------|----------------------|
| | GH¢ | GH¢ |
| Petrol sales | 131,984,964 | 1,103,299,371 |
| Diesel sales | 204,823,504 | 1,495,912,905 |
| Storage fees | 27,450,366 | 27,715,044 |
| Loading rack fees | 27,981,183 | 38,172,046 |
| Gold for oil trade margin | 205,765,252 | - |
| Gold for oil Throughput | 112,168,989 | - |
| BOST margins | 424,594,488 | 343,260,945 |
| Product transfer fees | 1,564,170 | 2,728,166 |
| Marine income | 16,770,196 | 8,376,335 |
| | 1,153,103,112 | 3,019,464,812 |

5. Revenue (ii)

In the year under review, the Company commenced partnership with Government of Ghana for the implementation of its flagship Gold-for- Oil programme (G40).

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 for the landed products and sells the products received under the programme to Bulk Import, Distribution, and Export Companies (BIDECs) at an approved price in consultation with NPA.

During the year under review, a total of Twenty-nine (29) parcels of fuel were imported under the G40 program.

Total Sales made under the G40 Program for the year 2023 amounted to Ghs9.02 billion. The impact of the sales made by BOST on our revenues under the G40 is shown below:

| Revenue | 2023 | 2022 |
|---------------------------|-----------------------|----------------------|
| | GH¢ | GH¢ |
| Petrol sales | 131,984,964 | 1,103,299,371 |
| Diesel sales | 204,823,504 | 1,495,912,905 |
| Storage fees | 27,450,366 | 27,715,044 |
| Loading rack fees | 27,981,183 | 38,172,046 |
| Gold for oil sales | 9,015,498,395 | - |
| Gold for oil trade margin | 205,765,252 | - |
| Gold for oil Throughput | 112,168,989 | - |
| BOST margins | 424,594,488 | 343,260,945 |
| Product transfer fees | 1,564,170 | 2,728,166 |
| Marine income | 16,770,196 | 8,376,335 |
| | 10,168,601,507 | 3,019,464,812 |

| 6. Cost of sales | 2023 | 2022 |
|---------------------------------------|--------------------|----------------------|
| | GH¢ | GH¢ |
| Cost of petrol sold | 165,329,101 | 861,958,712 |
| Cost of diesel sold | 236,530,434 | 1,324,413,700 |
| Pipeline handing costs | - | 3,552,670 |
| Marine insurance charges | 837,371 | 69,421 |
| Mooring charges | 2,826,175 | 12,722,406 |
| Depot operating and maintenance costs | 47,242,765 | 34,810,677 |
| Pushing charges | 3,582,907 | 3,001,783 |
| Third party storage costs | 29,520,432 | 1,270,875 |
| Booster charges | 614,685 | 2,276,116 |
| Collateral management fees | 3,989,951 | 6,747,279 |
| Other direct operational costs | 15,615,544 | 33,823,230 |
| | 506,089,365 | 2,284,646,869 |

| 7. Other income | 2023 | 2022 |
|---------------------------|-------------------|-------------------|
| | GH¢ | GH¢ |
| Haulage registration fees | 7,360,440 | 6,232,000 |
| Sale of Scrap | 110,550 | - |
| Rental income | 1,349,568 | 620,060 |
| Dividend income | 4,388,867 | 3,684,670 |
| Sundry Income | 2,981,589 | 13,780,596 |
| | 16,191,014 | 24,317,326 |

| 8. General and Administrative expenses | Note | 2023 | 2022 |
|--|-------|--------------------|--------------------|
| | | GH¢ | GH¢ |
| Staff costs | 8(a) | 132,305,740 | 113,879,815 |
| Training, welfare and other employee benefits | | 30,906,646 | 18,307,252 |
| Insurance | | 3,977,191 | 2,840,014 |
| Other administrative expenses | | 12,891,487 | 6,696,935 |
| Information technology and telecommunication costs | | 9,399,372 | 3,511,603 |
| Utility services costs | | 7,104,946 | 2,994,012 |
| Repairs and maintenance | | 4,499,320 | 1,317,981 |
| Office supplies and cleaning costs | | 5,294,269 | 3,087,854 |
| Motor running cost | | 7,418 | 6,530 |
| Rentals | | 3,643,986 | 6,891,783 |
| Travelling and transport costs | | 136,297 | 4,410,713 |
| Donations, sponsorship and support | | 15,328,972 | 6,491,647 |
| Seminars and conferences costs | | 19,905,873 | 18,564,257 |
| Directors' emoluments | | 6,165,609 | 2,527,621 |
| Audit expenses | | 373,127 | 573,094 |
| Legal and other professional fees | | 1,606,518 | 219,893 |
| Consultancy | | 2,675,280 | 1,438,197 |
| Security | | 3,071,647 | 3,164,526 |
| Advertising, publicity and promotion | | 6,337,932 | 242,475 |
| Depreciation of property, plant and equipment | 12&13 | 79,363,919 | 74,359,795 |
| Amortisation of intangible asset | | - | 2,090,039 |
| Bank charges | | 1,807,348 | 1,751,737 |
| Impairment on trade receivables | | - | 59,798,428 |
| Exchange loss | | 4,506,344 | 7,248,022 |
| | | 351,309,241 | 342,414,223 |

| 8a. Staff cost comprise | 2023 | 2022 |
|---|--------------------|--------------------|
| | GH¢ | GH¢ |
| Wages and salaries | 53,249,954 | 46,454,167 |
| Social security costs | 6,756,832 | 5,489,411 |
| Allowances | 51,446,543 | 43,686,699 |
| Gratuity cost and other employee benefits | 20,852,411 | 18,249,538 |
| | 132,305,740 | 113,879,815 |

| 9. Finance income | 2023 | 2022 |
|-------------------------------------|------------------|-------------------|
| | GH¢ | GH¢ |
| Interest on current/savings account | 47,054 | 420,552 |
| Interest income on fixed deposits | 8,854,854 | 12,082,575 |
| | 8,901,908 | 12,503,127 |

| 10. Finance costs | 2023 | 2022 |
|--------------------------|-------------------|-----------|
| | GH¢ | GH¢ |
| Interest on borrowings | 50,067,146 | 5,067,742 |
| | 50,067,146 | 5,067,742 |

11a. Taxation

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.

| | 2023 | 2022 |
|--|---------------------|--------------|
| | GH¢ | GH¢ |
| Current income tax | 78,199,356 | 138,045,088 |
| Deferred tax charged | (15,480,530) | (56,383,260) |
| Total tax charged to income statement | 62,718,826 | 81,661,828 |

11b. Current tax 2023

| 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¢ |
| 2021 | 8,424,675 | 86,481,095 | (2,517,750) | (4,732,623) | 87,655,296 |
| 2022 | - | 138,046,088 | (1,880,049) | (1,741,153) | 134,424,886 |
| 2023 | - | 78,199,356 | (178,528) | (584,805) | 77,436,023 |
| | 8,424,675 | 302,726,539 | (4,576,327) | (7,058,581) | 299,516,205 |

Current 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¢ |
| 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 |

11c. Deferred tax

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

| | 2023 | 2022 |
|---|---------------------|--------------|
| | GH¢ | GH¢ |
| Accelerated depreciation for tax purposes | 185,336,400 | 270,935,075 |
| Other temporary differences | (15,480,531) | (85,589,675) |
| Net deferred tax liabilities | 169,885,871 | 853,364,001 |

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

| | 2023 | 2022 |
|-------------------------------|---------------------|---------------|
| | GH¢ | GH¢ |
| 01-Jan | 185,336,400 | (241,720,660) |
| Credit/(charges) for the year | (15,480,531) | 56,384,260 |
| 31-Dec | 169,885,871 | 185,336,400 |

11d. Effective tax reconciliations

| | 2023 | 2022 |
|--|---------------------|--------------|
| | GH¢ | GH¢ |
| Profit before tax | 270,730,281 | 424,156,431 |
| Tax at statutory rate of 25% (2022: 25%) | 67,682,570 | 106,039,108 |
| Non-deductible expense | 25,997,315 | 88,391,240 |
| Effect of other timing difference | (15,480,531) | (56,384,260) |
| Effective tax | 78,199,354 | 138,046,088 |
| Effective tax rate | 29% | 33% |

12a.

| | 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¢ | GH¢ |
| COST | | | | | | | | | | | |
| At at 1 January 2023 | 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 |
| Adjustment for Disposal | - | - | - | - | - 88,000 | - | - | - | - | - | - 88,000 |
| Reclassification | 273,519,778 | - | 11,187,691 | - | - | - | - | - | -273,519,778 | -11,187,691 | - |
| Additions | 56,134,998 | 4,344,938 | 7,088,397 | 313,769 | 10,376,820 | 5,232,149 | - | - | 66,141,406 | 71,011,095 | 220,643,572 |
| Amounts as at 31 December 2023 | 687,153,882 | 8,718,380 | 822,320,386 | 745,337 | 13,538,152 | 9,061,084 | 59,910 | 181,013,840 | 14,961,311 | 177,792,116 | 1,915,364,398 |
| DEPRECIATION | | | | | | | | | | | |
| Accumulated as at 1 Jan 2023 | 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 |
| Adjustment for Disposal | - | - | - | - | - 88,000 | - | - | - | - | - | - 88,000 |
| Charge for the year | 13,013,297 | 1,148,115 | 40,501,444 | 68,714 | 3,111,821 | 3,419,084 | 60 | 18,101,384 | - | - | 79,363,919 |
| As at 31 December 2023 | 49,357,975 | 3,679,800 | 159,549,198 | 285,065 | 4,364,316 | 6,139,895 | 59,910 | 72,405,536 | - | - | 295,841,695 |
| Carrying amount as at 31 Dec. 2023 | 637,795,907 | 5,038,580 | 662,771,188 | 460,272 | 9,173,836 | 2,921,189 | - | 108,608,304 | 14,961,311 | 177,792,116 | 1,619,522,703 |
| Carrying amount as at 31 December 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 |

No borrowing cost was capitalised during the year 2023, in 2022 borrowing cost capitalised amounted to GH¢15,307,918. Property, plant and equipment that has been used as collateral for 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.

12b. Property, plant, and equipment 2022

| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | |
|------------------------------------|--------------------|----------------|-----------------------|------------------|----------------------|-------------------------|---------------------|------------------|----------------|------------------------|---------------|-----|-----|-----|-----|-----|-----|-----|--|
| | Land and Buildings | Motor Vehicles | Operational Equipment | Office Equipment | Furniture & Fittings | Computer & IT Equipment | Household Equipment | Marine Equipment | CWIP Buildings | CWIP Pipelines & Tanks | Total | | | | | | | | |
| 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 Disposal | - | (33,000) | - | - | - | - | - | - | - | - | (33,000) | | | | | | | | |
| 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 | | | | | | | | |

| 13. Investment Securities | 2023 | 2022 |
|---|---------------------|-------------|
| | GH¢ | GH¢ |
| 01-Jan | 134,800,917 | 142,938,179 |
| | (17,241,978) | (7,837,263) |
| Fair value (loss)/gains on investment securities recognized in other comprehensive income | | |
| Fair Value as at 31 December | 117,558,939 | 134,800,917 |

This represents equity investment in Ghana Oil Company Limited (GOIL) at the end of the year the share price was quoted at GH¢1.5 (2022: GH¢1.72) on the Ghana Stock Exchange.

| 14a. Inventories (BOST) | 2023 | 2022 |
|--------------------------------|--------------------|-------------|
| | GH¢ | GH¢ |
| Diesel | 122,079,300 | 267,673,728 |
| Petrol | 125,641,647 | 173,436,682 |
| Stationery & Office Supplies | 1,267,133 | 7,765 |
| | 248,988,080 | 441,118,175 |

Inventories are stated at the lower of cost and net realisable value and as at 31 December 2023, there were no inventories pledged as security.

14b. Inventories held on behalf of third parties as at 31 December 2023

| Products | Quantity (litres) | Price per litre (GH¢) | Valuation (GH¢) |
|-----------------|--------------------------|------------------------------|------------------------|
| Diesel | 67,179,161 | 9.78 | 657,012,195 |
| Petrol | 33,791,598 | 8.54 | 288,580,247 |
| | 100,970,759 | | 945,592,442 |

Inventories held on behalf of third parties as 31 December 2022

| Products | Quantity (litres) | Price per litre (GH¢) | Valuation (GH¢) |
|-----------------|--------------------------|------------------------------|------------------------|
| Diesel | 33,098,978 | 10.50 | 347,539,269 |
| Petrol | 42,905,814 | 7.91 | 339,384,989 |
| | 76,004,792 | | 686,924,258 |

This represents petroleum products held in BOST storage tanks on behalf of Bulk Import Distribution and Export Companies (BIDEC) in respect of storage services agreement.

14c. Inventories held on account of Gold for Oil programme (G4O) as at 31 December 2023.

| Products | Quantity (litres) | Price per litre (GH¢) | Valuation (GH¢) |
|-----------------|--------------------------|------------------------------|------------------------|
| Diesel | 58,878,464 | 9.78 | 575,831,378 |
| Petrol | 50,365,216 | 8.54 | 430,118,945 |
| | 109,243,680 | | 1,005,950,323 |

This represents petroleum products held in BOST storage tanks on behalf of the Government of Ghana for the Gold for Oil program.

| 15. Trade and other receivables | 2023 | 2022 |
|--|--------------------|--------------------|
| | GH¢ | GH¢ |
| Net trade receivables | 172,303,745 | 452,024,159 |
| | 172,303,745 | 452,024,159 |
| Gross trade receivable from customers | 445,144,869 | 724,865,283 |
| Less credit loss allowance – 1 January | (272,841,124) | (213,042,697) |
| Charge for the year | - | (59,798,427) |
| Net receivable from customers | 172,303,745 | 452,024,159 |

| 16. Prepayments | 2023 | 2022 |
|---------------------------|-----------|-----------|
| | GH¢ | GH¢ |
| Balance 1 January | 2170,197 | - |
| Additions | 293,422 | 2,170,197 |
| Balance as at 31 December | 2,463,619 | 2,170,197 |

| 17. Cash and bank balances | 2023 | 2022 |
|----------------------------|-------------|-------------|
| | GH¢ | GH¢ |
| Cash balance | 58,392 | 502,230 |
| Cash equivalent | 64,042,806 | 22,962,856 |
| Bank balances | 46,516,883 | 273,513,509 |
| | 110,618,081 | 296,978,595 |

17a. Cash and cash equivalents

Cash consists of cash in hand and demand deposits repayable upon demand, less overdrafts. This includes cash held in a foreign currency.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

To the financial statements, the period end cash and cash equivalents comprise the following:

| | 2023 | 2022 |
|----------------------------------|--------------------|--------------------|
| | GH¢ | GH¢ |
| Cash and bank balances | 46,575,275 | 274,015,739 |
| Cash equivalent | 64,042,806 | 22,962,855 |
| Cash and cash equivalents | 110,618,081 | 296,978,595 |

| 18. Cash generated from operating activities | | 2023 | 2022 |
|---|----------|----------------------|---------------|
| | | GH¢ | GH¢ |
| Operating activities | | | |
| Profit before tax | | 270,730,281 | 424,156,431 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Depreciation charge | 12(a& b) | 79,363,919 | 74,359,795 |
| Provision for doubtful debt | | - | 59,496,427 |
| Exchange Loss | | 4,506,344 | - |
| Amortisation costs on Intangible Assets | | - | 2,090,039 |
| Profit on disposal of PPE | | (110,550) | - |
| Finance income | 10 | (8,901,908) | (12,503,127) |
| Finance cost on loans | 11 | 50,067,146 | 5,067,742 |
| Decrease in inventories | | 192,130,095 | (269,405,589) |
| Decrease in trade and other receivables | | 279,720,414 | (134,252,909) |
| Increase in Prepayments | | (293,422) | (2,170,196) |
| Decrease in trade and other payables | | (726,699,416) | 158,873,269 |
| Increase in employee benefit obligations | | 713,544 | 406,705 |
| Cash generated from operating activities | | 141,226,447 | 306,118,587 |

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.

| | 2023 | 2023 | 2022 | 2022 |
|-------------------------------|----------------------|---------------|----------------------|---------------|
| | Number issued | Amount | Number issued | Amount |
| | | GH¢ | | GH¢ |
| Issued for cash consideration | 1,000,000 | 500,000 | 1,000,000 | 500,000 |

| 20. Loans and borrowings | | 2023 | 2022 |
|---|--|----------------------|---------------|
| | | 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 Head Office Loan | | 100,847,422 | 137,820,000 |
| Fidelity NPA Loan | | - | 16,001,947 |
| Fidelity Head Office Loan. (Short Term) | | 48,149,321 | - |
| Short Term Loans | | - | 50,024,152 |
| Government of Ghana Relief) | | 709,936,684 | 709,936,685 |
| Consolidated Bank Ghana | | 11,667,904 | 17,437,573 |
| | | 1,147,887,273 | 1,208,506,298 |

EXIM Bank – US

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

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

The details of the loan facility are as follows:

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

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

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- Head office

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.

Fidelity NPA Loan

Bank borrowings represent a medium-term loan of US\$20,000,000. This facility bears interest at a rate of 6% per annum plus a minimum spread of 400 basis points. This facility has been fully paid as at the end of the reporting period.

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 | 2023 | 2022 |
|-------------------------------------|--------------------|---------------|
| | GH¢ | GH¢ |
| Trade payables | 238,731,181 | 969,671,550 |
| Other payables | 63,961,289 | 59,720,336 |
| | 302,692,470 | 1,029,391,886 |

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

| 22. Employee benefit obligations | 2023 | 2022 |
|---|------------------|-----------|
| | GH¢ | GH¢ |
| Long service awards as at 1 January | 4,000,210 | 3,593,504 |
| Changes in actuarial assumptions | 265,615 | 13,539 |
| Current service costs | 447,929 | 393,166 |
| Long service awards as at 31 December | 4,713,754 | 4,000,210 |

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.

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

| | 2023 | 2022 |
|----------------------------------|---------|---------|
| | GH¢ | GH¢ |
| Changes in actuarial assumptions | 265,615 | 13,539 |
| Current service costs | 447,929 | 393,166 |
| | 713,544 | 406,705 |

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.

| | 2023 | 2022 |
|---|-------|-------|
| | GH¢ | GH¢ |
| 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

| | 2023 | 2022 |
|---------------------------|------------|------------|
| | GH¢ | GH¢ |
| Provision for litigations | 69,553,574 | 69,553,574 |

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.

24a. Other reserves

| | Land | Revaluation surplus on other items of property, plant & equipment | Fair value gain / (loss) on financial asset at FTOCI | Total |
|------------------|------------|---|--|--------------|
| | GH¢ | GH¢ | GH¢ | GH¢ |
| 1 January 2023 | 43,356,215 | 530,728,511 | 27,542,848 | 601,627,263 |
| Fair value gain | - | - | (17,241,978) | (17,241,978) |
| 31 December 2023 | 43,356,215 | 530,728,511 | 10,300,870 | 584,385,596 |

24b. Other Reserves 2022

| | Land | Revaluation surplus on other items of property, plant & equipment | Fair value gain / (loss) on financial asset at FTOCI | Total |
|------------------|------------|---|--|-------------|
| | GH¢ | GH¢ | GH¢ | GH¢ |
| 1 January 2022 | 43,356,215 | 530,728,511 | 35,380,111 | 609,464,837 |
| Fair value gain | - | - | (7,837,263) | (7,837,263) |
| 31 December 2022 | 43,356,215 | 530,728,511 | 27,542,848 | 601,627,574 |

The fair valuation on investment securities relates to changes in the fair value of certain investments in equity securities as stated in note 13.

25. 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).

26. 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 minimising 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 results 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 interest rate risk as its investments and some loans were held at variable 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 15, (trade and other receivable). 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:

| Financial Instrument by category | Notes | 2023 | 2022 |
|--|-------|--------------------|-------------|
| | | GH¢ | GH¢ |
| Financial assets at amortised cost: | | | |
| Trade and other receivables | 15 | 172,303,745 | 452,024,159 |
| Cash and cash equivalents | 17(a) | 110,618,081 | 296,978,594 |
| | | 282,921,826 | 749,002,753 |
| Financial assets at fair value through other comprehensive income: | | | |
| Investment securities | 13 | 117,558,939 | 134,800,917 |
| | | 400,480,765 | 883,803,670 |

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 2023 or 1 January 2024 respectively are as follows:

| 31 December 2023 | Aged 1-365 days | Over 365 days | Total |
|------------------------------|-----------------|---------------|-------------|
| | GH¢ | GH¢ | GH¢ |
| Expected loss rate | 0% | 100% | |
| Gross carrying amount | 172,303,745 | 272,841,124 | 445,144,869 |
| Credit loss allowance | - | 272,841,124 | 272,841,124 |

| 31 December 2022 | Aged 1-365 days | Over 365 days | Total |
|------------------------------|-----------------|---------------|-------------|
| | GH¢ | GH¢ | GH¢ |
| 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 by 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 2023 | Within 1 year | 1 to 5 years | Total |
|----------------------------------|--------------------|----------------------|----------------------|
| | GH¢ | GH¢ | GH¢ |
| Borrowings | 65,003,737 | 1,082,883,536 | 1,147,887,274 |
| Trade accounts and other payable | 302,692,470 | - | 302,692,470 |
| | 367,696,207 | 1,082,883,536 | 1,450,579,744 |

| 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 | 1,029,391,886 | - | 1,029,391,886 |
| | 1,152,367,279 | 1,085,530,905 | 2,237,898,184 |

28. Related party disclosures

The Company is solely owned by the Government of Ghana.

Compensation of those charged with governance

| | 2023 | 2022 |
|----------------------|-----------|-----------|
| | GH¢ | GH¢ |
| Directors' emolument | 6,165,609 | 2,527,621 |

29. 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.

30. Capital commitments

The Company had no capital commitments as at 31 December 2023. (2022: Nil).



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