



PETROLEUM FUNDS

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2017

PETROLEUM FUNDS
Annual Report
for the year ended 31 December 2017

Contents	Page(s)
General information	1
Report of the fund managers	2 – 3
Independent auditor's report	4 – 6
Financial statements:	
Income and expenditure account	7
Statement of affairs	8
Statement of cash receipts and disbursements - Petroleum Holding Fund	9
Statement of deposits and withdrawals - Ghana Stabilisation Fund	10
Statement of deposits and withdrawals - Ghana Heritage Fund	11
Notes	12 – 25

GENERAL INFORMATION

Fund Managers	Stephen Opata (Head of Financial Markets, Bank of Ghana) Nana Aba Ashun (Head of Petroleum Funds Secretariat, Financial Markets Department, Bank of Ghana) Richard Assan (Petroleum Unit, Bank of Ghana) Samuel Anin (Petroleum Unit, Bank of Ghana)
Registered Office	Bank of Ghana 1 Thorpe Road P. O. Box GP 2674 Accra, Ghana
Independent auditor	PricewaterhouseCoopers Chartered Accountants UNA Home, 3 rd Floor Airport city PMB CT42 Cantonments Accra
Bankers	Federal Reserve Bank of New York Euroclear SA/NV

REPORT OF THE FUND MANAGERS

The Fund Managers submit their report together with the audited financial statements for the year ended 31 December 2017, which disclose the state of affairs of the Petroleum Funds.

Statement of Fund Managers' Responsibilities

The Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) requires the managers of the Petroleum Funds (Bank of Ghana) to prepare financial statements that give a true and fair view of the state of affairs of the Petroleum Funds as at the end of the year and of its receipts, disbursements, investments and withdrawals for the period then ended. The Fund Managers are required to ensure that proper accounting records are kept that disclose with reasonable accuracy, the petroleum receipts, distributions, investments and withdrawals from the Petroleum Funds for each year.

The Fund Managers accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies in conformity with the "International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting".

The Fund Managers further accept responsibility for the proper maintenance of accounting records that may be relied upon in the preparation of these financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements.

Principal activities

The Fund Managers are mandated to collect and distribute Petroleum Funds to various stakeholders and to undertake investment activities with the funds (Ghana Petroleum Funds) based on the provisions of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

Financial results

The results of the year and position of the Petroleum Funds are set out on pages 7 to 11. The Petroleum Funds received a total of US\$540.41 million as petroleum revenue during the year under review. The funds received and the 2016 undistributed receipts of US\$27.56 million were distributed as follows:

	US\$'million
Ghana National Petroleum Corporation (GNPC)	182.04
Annual Budget Funding Amount (ABFA)	169.46
Ghana Stabilisation Fund	142.68
Ghana Heritage Fund	<u>61.15</u>
	<u>555.33</u>

Undistributed funds in the Petroleum Holding Fund (PHF) as at 31 December 2017 was US\$12.64 million. (31 December 2016: US\$27.56 million).

REPORT OF THE FUND MANAGERS (continued)

Financial results (continued)

Investment income earned on the Ghana Heritage Fund and the Ghana Stabilisation Fund during the year was US\$6.70 million and US\$2.63 million respectively.

Transfers to the Annual Budget Funding Amount (ABFA)

Paragraph 211 of the 2017 National Budget set the ABFA benchmark for the year at US\$169.46 million with a benchmark price of US\$56.14 per barrel and benchmark revenue of \$242.08 million. Total transfers to the ABFA in the year was US\$169.46 million.

After the ABFA benchmark was achieved, petroleum revenues were transferred to the Ghana Petroleum Funds in accordance with section 23 (1) of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

Withdrawals from the Ghana Stabilisation Fund

The 2017 National Budget did not set a cap on the Ghana Stabilisation Fund. The ABFA allocation was fully met, therefore there were no transfers from the Ghana Stabilisation Fund.

Fund managers

The names of the Fund Managers are disclosed on page 1. On 2 October 2017, Stephen Opata replaced Evelyn Kwatia as the Head of Financial Markets of the Bank of Ghana and also as Fund Manager.

Name of Fund Manager: *Stephen Opata*

Signature: 

Date: *19-10-18*

Name of Fund Manager: *Samuel Anin*

Signature: 

19-10-18

**INDEPENDENT AUDITOR'S REPORT
TO THE AUDITOR-GENERAL OF THE REPUBLIC OF GHANA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Petroleum Funds as at 31 December 2017 and of its financial performance, receipts and disbursements, and deposits and withdrawals for the year then ended in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of accounting and in the manner required by the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

What we have audited

We have audited the financial statements of the Petroleum Funds for the year ended 31 December 2017.

The financial statements set out on pages 7 to 25 comprise:

- the statement of affairs as at 31 December 2017;
- the income and expenditure account for the year then ended;
- the Petroleum Holding Fund statement of cash receipts and disbursements for the year then ended;
- the Ghana Stabilisation Fund statement of deposits and withdrawals for the year then ended;
- the Ghana Heritage Fund statement of deposits and withdrawals for the year then ended; and
- notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Petroleum Funds in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Fund Managers are responsible for the other information. The other information is the Report of the Fund Managers, 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 conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

INDEPENDENT AUDITOR'S REPORT
TO THE AUDITOR-GENERAL OF THE REPUBLIC OF GHANA (continued)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Other information (continued)

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Fund Managers for the financial statements

The Fund Managers are responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of accounting and with the requirements of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) and for such internal control, as the Fund Managers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Managers are responsible for assessing the Fund's 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 Fund Managers either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Fund Managers are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain 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 control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Managers;
- Conclude on the appropriateness of the Fund Managers' 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 the 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,

**INDEPENDENT AUDITOR'S REPORT
TO THE AUDITOR-GENERAL OF THE REPUBLIC OF GHANA (continued)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

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 Petroleum Funds to cease to continue as a going concern; and

- 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.

We communicate with the Fund Managers 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.

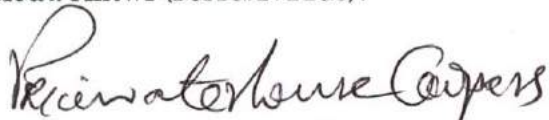
We also provide the Fund Managers with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL REQUIREMENTS

The Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) in our opinion, proper books of accounts have been kept in managing the Petroleum Funds so far as appears from our examination of those books;
- ii) payments due to and disbursements from the Petroleum Funds have been duly made; and
- iii) the Petroleum Funds have been managed in accordance with the provisions of the Act (Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893)).

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu Antwi (ICAG/P/1138).



PricewaterhouseCoopers (ICAG/F/2018/028)

Chartered Accountants

Accra, Ghana

19 October 2018



PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

INCOME AND EXPENDITURE ACCOUNT
 (All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2017	2016	2015
Investment income	9	9,327,020	5,794,058	4,520,081
Bank charges	10	<u>(27,447)</u>	<u>(23,595)</u>	<u>(21,894)</u>
Surplus income for the year		<u>9,299,573</u>	<u>5,770,463</u>	<u>4,498,187</u>
INCOME RESERVE				
Balance brought forward		16,079,726	10,309,263	5,811,076
Surplus income for the year		<u>9,299,573</u>	<u>5,770,463</u>	<u>4,498,187</u>
		<u>25,379,299</u>	<u>16,079,726</u>	<u>10,309,263</u>

The notes on pages 12 to 25 are an integral part of these financial statements.



PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

STATEMENT OF AFFAIRS
 (All amounts are in US Dollars)

ASSETS	Note	<u>At 31 December</u>		2015
		2017	2016	
Investment	11	454,267,714	254,768,499	235,166,794
Bank balances	12	<u>256,212,561</u>	<u>257,499,006</u>	<u>211,027,362</u>
Total Assets		<u>710,480,275</u>	<u>512,267,505</u>	<u>446,194,156</u>
FINANCED BY:				
Accumulated fund	13	685,100,976	496,187,779	435,884,893
Income reserve		<u>25,379,299</u>	<u>16,079,726</u>	<u>10,309,263</u>
Total accumulated fund and reserve		<u>710,480,275</u>	<u>512,267,505</u>	<u>446,194,156</u>

The notes on pages 12 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 25 were approved by the Fund Managers on19-12-18..... and signed on its behalf by:

Name of Fund Manager: *Stephen Opat* Name of Fund Manager: *Samuel Anin*
 Signature:  Signature: 

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

PETROLEUM HOLDING FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2017	2016	2015
Opening balance		27,556,550	9,414,557	1,073,874
Total funds received	3	<u>540,411,436</u>	<u>247,175,394</u>	<u>396,167,723</u>
Total funds available		<u>567,967,986</u>	<u>256,589,951</u>	<u>397,241,597</u>
Distributions:				
Transfers to GNPC equity finance	4	(103,439,007)	(58,114,054)	(65,913,926)
Transfers to GNPC carried and participating interest	5	(78,600,558)	(30,383,038)	(60,994,797)
Transfers to Annual Budget Funding Amount (ABFA)	6	(169,458,674)	(98,375,416)	(239,295,371)
Transfers to Ghana Stabilisation Fund	7	(142,683,920)	(29,512,625)	(15,171,062)
Transfers to Ghana Heritage Fund	8	<u>(61,150,251)</u>	<u>(12,648,268)</u>	<u>(6,501,884)</u>
Total distributions		<u>(555,332,410)</u>	<u>(229,033,401)</u>	<u>(387,827,040)</u>
Undistributed receipts		<u>12,635,576</u>	<u>27,556,550</u>	<u>9,414,557</u>

The notes on pages 12 to 25 are an integral part of these financial statements.

GHANA STABILISATION FUND
STATEMENT OF DEPOSITS AND WITHDRAWALS
(All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2017	2016	2015
Opening balance		207,748,661	177,396,124	286,644,041
Total funds received from the Petroleum Holding Fund	7	<u>142,683,920</u>	<u>29,512,625</u>	<u>15,171,062</u>
		350,432,581	206,908,749	301,815,103
Interest received	9	2,625,276	845,150	538,215
Bank charges	10	<u>(5,822)</u>	<u>(5,238)</u>	<u>(6,397)</u>
		353,052,035	207,748,661	302,346,921
Total funds withdrawn	14	<u>-</u>	<u>-</u>	<u>(124,950,797)</u>
Accumulated fund		<u>353,052,035</u>	<u>207,748,661</u>	<u>177,396,124</u>

The notes on pages 12 to 25 are an integral part of these financial statements.

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

GHANA HERITAGE FUND
STATEMENT OF DEPOSITS AND WITHDRAWALS
 (All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2017	2016	2015
Opening balance		276,962,289	259,383,470	248,915,217
Total funds received from the Petroleum Holding Fund	8	<u>61,150,251</u>	<u>12,648,268</u>	<u>6,501,884</u>
		338,112,540	272,031,738	255,417,101
Interest received	9	6,701,744	4,948,908	3,981,866
Bank charges	10	<u>(21,625)</u>	<u>(18,357)</u>	<u>(15,497)</u>
Accumulated fund		<u>344,792,659</u>	<u>276,962,289</u>	<u>259,383,470</u>

The notes on pages 12 to 25 are an integral part of these financial statements.

NOTES

1. Mandate

The Bank of Ghana is responsible for the day-to-day operational management of the Petroleum Holding Fund and the Ghana Petroleum Funds in accordance with the terms of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

1.1 Funds

(a) Petroleum Holding Fund (Section 2 of Act 815 as amended by Act 893)

The Petroleum Holding Fund is the designated public fund at the Bank of Ghana that receives and disburses petroleum revenue due the Republic of Ghana. Petroleum revenues are deposited into this fund for subsequent transfers in accordance with the provisions of Section 11 of Act 815 as amended by Act 893.

(b) Ghana Petroleum Funds (Section 11 of Act 815 as amended by Act 893)

The Ghana Petroleum Funds comprise the Ghana Stabilisation Fund and the Ghana Heritage Fund. The Ghana Stabilisation Fund (Section 9 of Act 815 as amended by Act 893) is a fund established to cushion the impact on or sustain public expenditure capacity during periods of unanticipated petroleum revenue shortfalls.

The Ghana Heritage Fund (Section 10 of Act 815 as amended by Act 893) is a fund established to provide an endowment to support development for future generations when petroleum reserves have been depleted and to receive excess petroleum revenue.

Prior to the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893), the Ghana Petroleum Funds were to receive from the Petroleum Holding Fund, petroleum revenue in excess of the Annual Budget Funding Amount (Section 11 of Act 815).

Per the amendment (Act 893) which was assented to by the President on 31 July 2015, the Ghana Petroleum Funds receive from the Petroleum Holding Fund:

- not less than 30% of the Benchmark revenue for the year where the actual petroleum revenue net of allocation to the Ghana National Petroleum Corporation (GNPC) is greater than or equal to the benchmark revenue.
- not less than 30% of the actual petroleum revenue net of allocation to GNPC where the actual petroleum revenue is less than the Benchmark revenue.
- any excess of the actual petroleum revenue over the Benchmark revenue for the year.

NOTES (continued)

1. Mandate (continued)

1.2 Transfers

Apart from transfers made from the Petroleum Holding Fund to the Ghana Petroleum Funds, transfers are also made to the Ghana National Petroleum Corporation and the Consolidated Fund (Annual Budget Funding Amount).

The transfers made to the Ghana National Petroleum Corporation are for its equity financing and carried and participating interest.

The transfers made into the Consolidated Fund (Annual Budget Funding Amount) are in support of the national budget.

2. Summary of 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.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of accounting (cash basis IPSAS) as issued by International Public Sector Accounting Standards Board. The financial statements also comply with the requirements of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

2.2 Income recognition

Income is recognised when cash is received.

2.3 Expenditure recognition

Expenses are recognised when payments are made.

2.4 Investments

Investments are shown at the actual amount paid for securities purchased. Changes in the market value of investments are not recognised until the investment is sold. Gains or losses are recognised in the income and expenditure account as investment income or expense.

2.5 Bank balances

Bank balances consist of balances held in approved bank accounts for the Ghana Petroleum Funds and the Petroleum Holding Fund.

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

3. Total funds received

	<u>Year ended 31 December</u>		
	2017	2016	2015
Ghana Group Oil Lifting Proceeds (Note 3a)	501,300,433	207,787,586	374,292,457
Corporate tax payments (Note 3b)	36,957,622	29,546,823	20,410,832
Surface rental fees (Note 3c)	1,569,828	465,030	465,920
Other receipts (Note 3d)	<u>583,553</u>	<u>9,375,955</u>	<u>998,514</u>
Total funds received	<u>540,411,436</u>	<u>247,175,394</u>	<u>396,167,723</u>
(a) Ghana Group Oil Lifting Proceeds			
23rd Lifting - Jubilee	-	-	56,069,476
24th Lifting - Jubilee	-	-	54,239,478
25th Lifting - Jubilee	-	-	49,937,126
26th Lifting - Jubilee	-	-	52,422,989
27th Lifting - Jubilee	-	-	61,395,996
28th Lifting - Jubilee	-	-	55,411,477
29th Lifting - Jubilee	-	-	44,788,915
30th Lifting - Jubilee	-	35,736,463	-
31st Lifting - Jubilee	-	30,490,829	-
32nd Lifting - Jubilee	-	48,173,318	-
33rd Lifting - Jubilee	-	46,486,771	-
34th Lifting - Jubilee	-	46,900,205	-
35th Lifting - Jubilee	52,660,594	-	-
36th Lifting - Jubilee	51,400,467	-	-
37th Lifting - Jubilee	45,721,393	-	-
38th Lifting - Jubilee	44,335,440	-	-
39th Lifting - Jubilee	53,956,558	-	-
40th Lifting - Jubilee	54,559,886	-	-
1st Lifting - TEN	51,008,736	-	-
2nd Lifting - TEN	49,020,171	-	-
3rd Lifting - TEN	45,175,945	-	-
4th Lifting - TEN	<u>53,461,243</u>	<u>-</u>	<u>-</u>
Total proceeds from oil lifting	<u>501,300,433</u>	<u>207,787,586</u>	<u>374,292,457</u>

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

3. Total funds received (continued)

(b) Corporate tax payments

		<u>Year ended 31 December</u>	
	2017	2016	2015
Kosmos Energy	36,957,622	2,232,550	11,730,107
Tullow Oil Ghana Limited	-	27,314,273	-
Anadarko Petroleum	-	-	8,680,725
Total corporate tax payments	<u>36,957,622</u>	<u>29,546,823</u>	<u>20,410,832</u>

(c) Surface rental fees

Tullow Oil Ghana Limited	59,261	135,699	-
Kosmos Energy	17,797	17,797	17,797
Petrogulf Ltd.	141,570	-	-
Hess Ghana Exploration Ltd.	150,750	219,310	150,750
ENI Ghana EP Ltd.	141,999	-	22,600
Blue Star Exploration Ghana Ltd.	17,475	-	-
GNPC Operating Services (GOSCO)	111,950	-	-
PETRICAS AS	522,300	-	-
Springfield Exploration and Production Ltd.	33,650	-	-
Erin Energy	150,400	-	-
UB Group	130,472	-	-
AMNI Petroleum Dev. Co. Ltd.	13,974	13,974	13,974
CAMAC Energy GH Ltd.	-	-	73,423
Medea Development International Ltd.	78,230	78,250	78,250
Heritage Exploration and Production Gh. Ltd.	-	-	109,126
Total Surface rental fees	<u>1,569,828</u>	<u>465,030</u>	<u>465,920</u>

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

3. Total funds received (continued)

(d) Other receipts

	<u>Year ended 31 December</u>		
	2017	2016	2015
Interest earned on Petroleum Holding Fund (Note 15)	579,279	73,149	25,312
Interest on TEN 3 Late Payment	4,274	-	-
Price Differential - UNIPEC	-	-	419,387
Gas Receipts	-	9,302,806	553,815
Total Other Receipts	583,553	9,375,955	998,514

4. Transfers to GNPC Equity Finance

23rd Lifting - Jubilee	-	-	3,314,780
24th Lifting - Jubilee	-	-	14,298,917
25th Lifting - Jubilee	-	-	7,530,551
26th Lifting - Jubilee	-	-	3,842,828
27th Lifting - Jubilee	-	-	9,979,994
28th Lifting - Jubilee	-	-	-
29th Lifting - Jubilee	-	-	26,946,856
30th Lifting - Jubilee	-	9,153,737	-
31st Lifting - Jubilee	-	2,892,619	-
32nd Lifting - Jubilee	-	15,543,330	-
33rd Lifting - Jubilee	-	24,084,087	-
34th Lifting - Jubilee	-	6,440,281	-
35th Lifting - Jubilee	4,339,801	-	-
36th Lifting - Jubilee	-	-	-
37th Lifting - Jubilee	17,849,899	-	-
38th Lifting - Jubilee	4,678,490	-	-
39th Lifting - Jubilee	3,571,995	-	-
40th Lifting - Jubilee	4,173,017	-	-
1st Lifting - TEN	15,103,886	-	-
2nd Lifting - TEN	14,515,064	-	-
3rd Lifting - TEN	18,376,773	-	-
4th Lifting - TEN	20,830,082	-	-
Total Transfers	103,439,007	58,114,054	65,913,926

GNPC did not have any equity financing obligation on the 36th lifting.

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

5. Transfers to GNPC carried and participating interest

	<u>Year ended 31 December</u>		
	2017	2016	2015
Crude Oil			
23rd Lifting - Jubilee	-	-	11,149,053
24th Lifting - Jubilee	-	-	7,451,841
25th Lifting - Jubilee	-	-	8,550,997
26th Lifting - Jubilee	-	-	10,195,442
27th Lifting - Jubilee	-	-	10,296,727
28th Lifting - Jubilee	-	-	11,689,093
29th Lifting - Jubilee	-	-	1,611,644
30th Lifting - Jubilee	-	4,989,946	-
31st Lifting - Jubilee	-	5,732,730	-
32nd Lifting - Jubilee	-	5,765,342	-
33rd Lifting - Jubilee	-	2,838,019	-
34th Lifting - Jubilee	-	8,220,659	-
35th Lifting - Jubilee	10,097,786	-	-
36th Lifting - Jubilee	11,126,940	-	-
37th Lifting - Jubilee	4,542,590	-	-
38th Lifting - Jubilee	8,193,988	-	-
39th Lifting - Jubilee	10,608,672	-	-
40th Lifting - Jubilee	10,558,971	-	-
1st Lifting - TEN	6,796,748	-	-
2nd Lifting - TEN	6,531,778	-	-
3rd Lifting - TEN	4,519,548	-	-
4th Lifting - TEN	5,623,537	-	-
Gas			
32nd Lifting	-	2,836,342	-
Total Transfers	<u>78,600,558</u>	<u>30,383,038</u>	<u>60,944,797</u>

There were no gas liftings for the 23rd to 31st, 33rd to 40th Jubilee liftings and the 1st to 4th TEN liftings.

NOTES (continued)

(All amounts are in US Dollars)

6. Transfers to Annual Budget Funding Amount (ABFA)

	<u>Year ended 31 December</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
23rd Lifting - Jubilee	-	-	42,506,515
24th Lifting - Jubilee	-	-	32,510,176
25th Lifting - Jubilee	-	-	33,857,116
26th Lifting - Jubilee	-	-	38,389,227
27th Lifting - Jubilee	-	-	41,462,130
28th Lifting - Jubilee	-	-	38,740,158
29th Lifting - Jubilee	-	-	11,830,049
30th Lifting - Jubilee	-	21,565,136	-
31st Lifting - Jubilee	-	23,500,483	-
32nd Lifting - Jubilee	-	17,023,898	-
33rd Lifting - Jubilee	-	13,712,121	-
34th Lifting - Jubilee	-	22,573,778	-
35th Lifting - Jubilee	2,848,051	-	-
36th Lifting - Jubilee	28,439,260	-	-
37th Lifting - Jubilee	-	-	-
38th Lifting - Jubilee	11,176,499	-	-
39th Lifting - Jubilee	28,155,478	-	-
40th Lifting - Jubilee	14,209,190	-	-
1st Lifting - TEN	39,516,618	-	-
2nd Lifting - TEN	13,925,408	-	-
3rd Lifting - TEN	31,188,170	-	-
4th Lifting - TEN	-	-	-
Total Transfers	<u>169,458,674</u>	<u>98,375,416</u>	<u>239,295,371</u>

The total allocation to the ABFA for the year is split evenly into four quarters. Where the allocation for a quarter is achieved, no more transfers are made into the ABFA for that quarter.

The allocation for the second quarter was achieved on the 36th lifting for Jubilee while the allocation for the fourth quarter was achieved on the 3rd lifting for TEN. Therefore, there were no transfers to ABFA out of the 37th Jubilee lifting and the 4th TEN lifting respectively as provided for under section 23(1) of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

7. Transfers to Ghana Stabilisation Fund

	<u>Year ended 31 December</u>		
	2017	2016	2015
28th Lifting - Jubilee	-	-	11,622,047
29th Lifting - Jubilee	-	-	3,549,015
30th Lifting - Jubilee	-	6,469,541	-
31st Lifting - Jubilee	-	7,050,145	-
32nd Lifting - Jubilee	-	5,107,169	-
33rd Lifting - Jubilee	-	4,113,636	-
34th Lifting - Jubilee	-	6,772,134	-
35th Lifting - Jubilee	24,762,469	-	-
36th Lifting - Jubilee	8,531,778	-	-
37th Lifting - Jubilee	16,528,874	-	-
38th Lifting - Jubilee	14,200,525	-	-
39th Lifting - Jubilee	8,446,644	-	-
40th Lifting - Jubilee	19,972,480	-	-
1st Lifting - TEN	11,854,985	-	-
2nd Lifting - TEN	9,833,544	-	-
3rd Lifting - TEN	9,356,451	-	-
4th Lifting - TEN	19,196,170	-	-
Total Transfers	142,683,920	29,512,625	15,171,062

8. Transfers to Ghana Heritage Fund

	<u>Year ended 31 December</u>		
	2017	2016	2015
28th Lifting - Jubilee	-	-	4,980,878
29th Lifting - Jubilee	-	-	1,521,006
30th Lifting - Jubilee	-	2,772,660	-
31st Lifting - Jubilee	-	3,021,491	-
32nd Lifting - Jubilee	-	2,188,787	-
33rd Lifting - Jubilee	-	1,762,987	-
34th Lifting - Jubilee	-	2,902,343	-
35th Lifting - Jubilee	10,612,487	-	-
36th Lifting - Jubilee	3,656,476	-	-
37th Lifting - Jubilee	7,083,803	-	-
38th Lifting - Jubilee	6,085,939	-	-
39th Lifting - Jubilee	3,619,990	-	-
40th Lifting - Jubilee	8,559,634	-	-
1st Lifting - TEN	5,080,708	-	-
2nd Lifting - TEN	4,214,376	-	-
3rd Lifting - TEN	4,009,908	-	-
4th Lifting - TEN	8,226,930	-	-
Total	61,150,251	12,648,268	6,501,884

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

9. Investment income

	<u>Year ended 31 December</u>		
	2017	2016	2015
Ghana Stabilisation Fund	2,625,276	845,150	538,215
Ghana Heritage Fund	<u>6,701,744</u>	<u>4,948,908</u>	<u>3,981,866</u>
Total	<u>9,327,020</u>	<u>5,794,058</u>	<u>4,520,081</u>

Investment income earned in the year was derived from the following instruments:

	<u>Year ended 31 December</u>		
	2017	2016	2015
(a) Ghana Stabilisation Fund			
Bonds	818,200	319,786	345,259
Treasury Bills	-	-	1,487
Repurchase agreements/overnight income	<u>1,807,076</u>	<u>525,364</u>	<u>191,469</u>
Total	<u>2,625,276</u>	<u>845,150</u>	<u>538,215</u>
(b) Ghana Heritage Fund			
Bonds	6,107,752	4,725,231	3,904,033
Repurchase agreements/overnight income	<u>593,992</u>	<u>223,677</u>	<u>77,833</u>
Total	<u>6,701,744</u>	<u>4,948,908</u>	<u>3,981,866</u>

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

10. Bank charges

	<u>Year ended 31 December</u>		
	2017	2016	2015
Ghana Stabilisation Fund Euroclear Bank Charges	5,822	5,238	6,397
Ghana Heritage Fund Euroclear Bank Charges	<u>21,625</u>	<u>18,357</u>	<u>15,497</u>
Total	<u>27,447</u>	<u>23,595</u>	<u>21,894</u>

11. Investment

	2017	2016	2015
Ghana Stabilisation Fund	169,606,890	36,437,358	38,956,604
Ghana Heritage Fund	<u>284,660,824</u>	<u>218,331,141</u>	<u>196,210,190</u>
Total Investment	<u>454,267,714</u>	<u>254,768,499</u>	<u>235,166,794</u>

An analysis of the type of instruments invested in and the investment banks used are provided below:

(a) Type of investment instrument:

	Bonds	US Treasury Bills	Total
Ghana Stabilisation Fund	99,835,951	69,770,939	169,606,890
Ghana Heritage Fund	<u>274,697,350</u>	<u>9,963,474</u>	<u>284,660,824</u>
Total	<u>374,533,301</u>	<u>79,734,413</u>	<u>454,267,714</u>

(b) Investment bank used:

	Euroclear	Federal Reserve	Total
Ghana Stabilisation Fund	58,718,577	110,888,313	169,606,890
Ghana Heritage Fund	<u>161,465,198</u>	<u>123,195,626</u>	<u>284,660,824</u>
Total	<u>220,183,775</u>	<u>234,083,939</u>	<u>454,267,714</u>

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)
 (All amounts are in US Dollars)

11. Investment (continued)

		Cost of investment			Nominal value of investment				Accrued interest at 31 Dec. 2017		
Type of Security	Duration	Heritage Fund	Stabilisation Fund	Total	Heritage Fund	Stabilisation Fund	Total	Coupon range %	Heritage Fund	Stabilisation Fund	Total
Treasury Bills	91 Days	9,963,474	69,770,939	79,734,413	10,000,000	70,000,000	80,000,000	0.3134 - 0.36526	-	-	-
Bonds	2 years	4,500,328	16,995,170	21,495,498	4,500,000	17,000,000	21,500,000	0.625 – 0.75	1,976	68,674	70,650
Bonds	3 years	8,998,876	42,498,016	51,496,892	9,000,000	42,500,000	51,500,000	0.875 - 1.25	36,144	174,322	210,466
Bonds	5 years	69,788,594	28,061,289	97,849,883	70,000,000	28,000,000	98,000,000	1.125 - 2.375	417,711	100,536	518,247
Bonds	7 years	54,217,999	6,043,485	60,261,484	54,500,000	6,000,000	60,500,000	1.50 – 4.0	416,797	20,573	437,370
Bonds	10 years	92,222,920	6,237,991	98,460,911	91,500,000	6,000,000	97,500,000	1.625 - 5.25	889,772	43,932	933,704
Bonds	12 years	2,000,000	-	2,000,000	2,000,000	-	2,000,000	4.3	18,872	-	18,872
Bonds	30 years	42,968,633	-	42,968,633	37,000,000	-	37,000,000	2.25 – 6.25	391,281	-	391,281
Total		284,660,824	169,606,890	454,267,714	278,500,000	169,500,000	448,000,000		2,172,553	408,037	2,580,590

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

12. Bank balances

	<u>Year ended 31 December</u>		
	2017	2016	2015
Petroleum Holding Fund (Note 13)	12,635,576	27,556,550	9,414,557
Ghana Stabilisation Fund	183,445,148	171,311,305	138,439,523
Ghana Heritage Fund	<u>60,131,837</u>	<u>58,631,151</u>	<u>63,173,282</u>
Total Investment	<u>256,212,561</u>	<u>257,499,006</u>	<u>211,027,362</u>

The Petroleum Holding Fund is a designated public fund to receive and disburse petroleum revenues under the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2011 (Act 893). The balance in the Petroleum Holding Fund is yet to be disbursed in line with the requirements of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

13. Accumulated fund

	2017	2016	2015
Petroleum Holding Fund	12,635,576	27,556,550	9,414,557
Ghana Stabilisation Fund	348,744,992	206,061,072	176,548,447
Ghana Heritage Fund	<u>323,720,408</u>	<u>262,570,157</u>	<u>249,921,889</u>
At 31 December	<u>685,100,976</u>	<u>496,187,779</u>	<u>435,884,893</u>

An analysis of petroleum receipts and disbursements is presented below:

	Petroleum Holding Fund	Ghana Stabilisation Fund	Ghana Heritage Fund
Year ended 31 December 2017			
Balance at 1 January 2017	27,556,550	206,061,072	262,570,157
Total receipts	<u>540,411,436</u>	<u>142,683,920</u>	<u>61,150,251</u>
Total disbursements	<u>567,967,986</u> <u>(555,332,410)</u>	<u>348,744,992</u> <u>-</u>	<u>323,720,408</u> <u>-</u>
Balance at 31 December 2017	<u>12,635,576</u>	<u>348,744,992</u>	<u>323,720,408</u>

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

13. Accumulated fund (continued)

	Petroleum Holding Fund	Ghana Stabilisation Fund	Ghana Heritage Fund
Year ended 31 December 2016			
Balance at 1 January 2016	9,414,557	176,548,447	249,921,889
Total receipts	<u>247,175,394</u>	<u>29,512,625</u>	<u>12,648,268</u>
	256,589,951	206,061,072	262,570,157
Total disbursements	<u>(229,033,401)</u>	-	-
Balance at 31 December 2016	<u>27,556,550</u>	<u>206,061,072</u>	<u>262,570,157</u>
Year ended 31 December 2015			
Balance at 1 January 2015	1,073,874	286,328,182	243,420,005
Total receipts	<u>396,167,723</u>	<u>15,171,062</u>	<u>6,501,884</u>
	397,241,597	301,499,244	249,921,889
Total disbursements	<u>(387,827,040)</u>	<u>(124,950,797)</u>	-
Balance at 31 December 2015	<u>9,414,557</u>	<u>176,548,447</u>	<u>249,921,889</u>

Fund Accounts represents the petroleum receipts and disbursements and excludes interest and charges incurred on the fund balances.

14. Withdrawals from the Ghana Stabilisation Fund

	Year ended 31 December		
	2017	2016	2015
Transfers to Annual Budget Funding Amount	-	-	53,685,578
Transfers to Contingency fund	-	-	23,755,073
Transfers to Sinking Fund	-	-	47,510,146
Total withdrawals	<u>-</u>	<u>-</u>	<u>124,950,797</u>

The 2017 National Budget did not cap the Ghana Stabilisation fund, therefore there were no withdrawals under section 23 of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

The ABFA target of US\$169.46 million was fully met; as a result, no withdrawals were made from the Ghana Stabilisation Fund as provided for under section 12 of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2017

NOTES (continued)

(All amounts are in US Dollars)

15. Petroleum Holding Fund Interest

	<u>Year ended 31 December</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Interest distributed	436,397	60,807	23,591
Interest undistributed	<u>142,882</u>	<u>12,342</u>	<u>1,721</u>
Total interest	<u>579,279</u>	<u>73,149</u>	<u>25,312</u>