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Petroleum Funds

Annual report and Financial Statements

For the year ended 31 December 2019

[Author]

Petroleum Funds

Report and financial statements

For the year ended 31 December 2019

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Petroleum Funds

Corporate information

For the year ended 31 December 2019

Fund managers:

Dr. Ernest Yedu Addison – Governor, Bank of Ghana
Stephen Opata - Head of financial Markets, Bank of Ghana
Nana Aba Ashun - Head of Petroleum Funds Secretariat,
Financial Markets Department, 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:

Deloitte & Touche
Chartered Accountants
The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
P. O. Box GP 453
Accra

Bankers:

Federal Reserve Bank of New York
Euroclear SA/NV

Petroleum Funds

Report of the Fund Managers

For the year ended 31 December 2019

The Fund Managers submit their report together with the audited financial statements of Petroleum Funds (the "Funds") for the year ended 31 December 2019, which disclose the state of affairs of the 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 the affairs of the Petroleum Funds as at the end of each financial year and of its receipts, disbursements, investments and withdrawals for the year 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 9 to 13. The Petroleum Holding Fund received a total of US\$937.67million(2018:US\$964.72 million) as petroleum revenue during the year under review. The total funds received for the year and the 2018 undistributed receipts of US\$0.23 million were distributed as follows:

	2019 US\$'million	2018 US\$'million
Ghana National Petroleum Corporation(GNPC)	260.55	305.28
Annual Budget Funding Amount(ABFA)	395.47	235.10
Ghana Stabilisation Fund	188.30	305.72
Ghana Heritage Fund	80.70	131.02
	<u>925.02</u>	<u>977.12</u>

Petroleum Funds

Report of the Fund Managers

For the year ended 31 December 2019

Financial results – continued

Undistributed funds in the Petroleum Holding Fund (PHF) as at 31 December 2019 was US\$12.86 million (31 December 2018: US\$0.23 million).

Investment income earned on the the Ghana Stabilisation Fund and the Ghana Heritage Fund during the year was US\$8.22million (2018:US\$6.41million) and US\$13.76million (2018:US\$9.38million) respectively.

Transfers to the Annual Budget Funding Amount (ABFA)

Paragraph 338 of the 2019 National Budget set out the ABFA benchmark for the year at US\$473.0 million with a benchmark price of US\$66.76 per barrel of crude oil and benchmark revenue of US\$ 695.80 million. Total transfers to the ABFA in the year was US\$395.47million (2018:US\$235.10 million). The ABFA revenue was reviewed downwards to US\$459.61 million during the mid-year budget review.

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 ammended by the Petroleum Revenue Management Amedment Act, 2015, (Act 893).

Withdrawals from the Ghana Stabilistion Fund

The 2019 National Budget set a cap on the Ghana Stabilisation Fund at US\$300 million. As at 31 December 2019, the excess of US\$189.13 million had been withdrawn. 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 2.

Approval of financial statements

The financial statements of the Petroleum Funds was approved by the Fund Managers on 5/2/2021 and signed on their behalf as follows:

Name of Fund manager: Emmanuel Agyemang

Signature: [Signature]

Date: 16/2/2021

Name of Fund manager: Stephen Opatu

Signature: [Signature]

Date: 15-02-2021

Independent auditor's report

To the Auditor General of the Republic of Ghana

Report on the audit of the financial statement

Opinion

We have audited the financial statements of the Petroleum Funds, set out on pages 9 to 29, which comprise:

- The income and expenditure account for the year ended 31 December 2019
- The statement of affairs as at 31 December 2019
- The Petroleum Holding Fund statement of cash receipts and disbursement 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
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory disclosures

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 2019 and of its financial performance, receipts and disbursement and deposits and withdrawals for the year then ended in accordance with International Public 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).

Other matter

The financial statements of the Funds for the year ended 31 December 2018 were audited by another auditor who expressed an unqualified opinion on those financial statements. We do not express an opinion or any other form of assurance on the 2018 financial statements as a whole.

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 which were obtained prior to the date of this auditor's report.

We are independent of the Fund in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (including International Independent Standards) (the Code) issued by the International Ethics and Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report

To the Auditor General of the Republic of Ghana

We are independent of the Fund in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (including International Independent Standards) (the Code) issued by the International Ethics and Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

We are independent of the Fund in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (including International Independent Standards) (the Code) issued by the International Ethics and Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Fund Managers are responsible for the other information. The other information is the Report of the Fund Managers which we obtained prior to the date of this auditors report. The other information 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 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 on the other information that we obtained prior to the date of this auditor's report, 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 Fund's financial reporting process.

Independent auditor's report

To the Auditor General of the Republic of Ghana

Auditor's responsibilities for the audit of 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 judgment 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 Fund's 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 Fund'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 Fund 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 Fund's 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

Independent auditor's report To the Auditor General of the Republic of Ghana

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 and Regulatory 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 as far as appears from our examination of those books;
- ii) Payment due to and disbursement from the Petroleum Funds have been duly made; and
- iii) The Petroleum Funds have been managed in accordance with the provisions of the Petroleum Revenue Management Act, 2011(Act 815) as amended by the Petroleum Revenue Management Amendment Act, 2015 (Act 893).

The engagement partner on the audit resulting in this independent auditor's report is **Daniel Kwadwo Owusu (ICAG/P/1327)**.



For and on behalf of Deloitte & Touche (ICAG/F/2021/129)
Chartered Accountants
The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

16th Feb.

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Petroleum Funds

Income and expenditure account

For the year ended 31 December 2019

(All amounts are in US Dollars)

	Note	2019	2018	2017
Investment Income	9a	21,986,616	15,790,458	9,327,020
Less:				
Bank charges	10	<u>(33,261)</u>	<u>(34,354)</u>	<u>(27,447)</u>
Surplus income for the year		<u>21,953,355</u>	<u>15,756,104</u>	<u>9,299,573</u>
Income reserve				
Balance brought forward		32,562,132	25,379,299	16,079,726
Surplus income for the year		21,953,355	15,756,104	9,299,573
Withdrawal from Ghana Stabilisation Fund		<u>(8,660,042)</u>	<u>(8,573,271)</u>	<u>-</u>
		<u>45,855,445</u>	<u>32,562,132</u>	<u>25,379,299</u>

The notes on pages 14 to 29 are an integral part of these financial statements.

Petroleum Funds

Statement of affairs

As at 31 December 2019

(All amounts are in US Dollars)

Assets	Note	2019	2018	2017
Investments	11a	464,694,174	637,430,128	454,267,714
Bank balances	12	<u>516,368,884</u>	<u>229,172,010</u>	<u>256,212,561</u>
Total assets		<u>981,063,058</u>	<u>866,602,138</u>	<u>710,480,275</u>
Financed by:				
Fund balances	13	935,207,613	834,040,006	685,100,976
Reserves	15	<u>45,855,445</u>	<u>32,562,132</u>	<u>25,379,299</u>
Total funds and reserves		<u>981,063,058</u>	<u>866,602,138</u>	<u>710,480,275</u>

The financial statements on pages 9 to 29 were approved by the Fund Managers on

5/2/2021 and signed on their behalf as follows:

Name of Fund manager: *Ernbi Adjuwal*

Signature: *[Signature]*

Date: *16/2/2021*

Name of Fund manager: *Stephen Oputa*

Signature: *[Signature]*

Date: *15-02-2021*

The notes on pages 14 to 29 are an integral part of these financial statements.

Petroleum Funds

Petroleum Holding Fund

For the year ended 31 December 2019

Statement of cash receipts and disbursements

(All amounts are in US Dollars)

	Note	2019	2018	2017
Opening balance		226,471	12,635,576	27,556,550
Total receipts	3	<u>937,668,191</u>	<u>964,715,824</u>	<u>540,411,436</u>
Total funds available		<u>937,894,662</u>	<u>977,351,400</u>	<u>567,967,986</u>
Less: distribution to				
GNPC Equity Finance	4	(155,374,492)	(201,104,903)	(103,439,007)
GNPC Share of Crude Oil Carried & Participating Interest)	5	(105,184,034)	(104,168,994)	(78,600,558)
Annual Budget Funding Amount	6	(395,471,682)	(235,103,316)	(169,458,674)
Ghana Stabilisation Fund	7	(188,303,970)	(305,723,401)	(142,683,920)
Ghana Heritage Fund	8	(80,701,702)	(131,024,315)	(61,150,251)
Total amount distributed		(925,035,880)	(977,124,929)	(555,332,410)
Undistributed receipts		<u>12,858,782</u>	<u>226,471</u>	<u>12,635,576</u>

The notes on pages 14 to 29 are an integral part of these financial statements.

Petroleum Funds

Ghana Stabilisation Fund

For the year ended 31 December 2019

Statement of deposits and withdrawals

(All amounts are in US Dollars)

	Note	2019	2018	2017
Opening balance		381,203,229	353,052,035	207,748,661
Receipts from distribution	7	<u>188,303,970</u>	<u>305,723,401</u>	<u>142,683,920</u>
Total		<u>569,507,199</u>	<u>658,775,436</u>	<u>350,432,581</u>
Add				
Gross interest received	9b.1	8,222,605	6,409,693	2,625,276
Less bank charges	10	<u>(7,444)</u>	<u>(9,048)</u>	<u>(5,822)</u>
Total fund Balance		577,722,360	665,176,081	353,052,035
Less withdrawals	14	<u>(189,130,418)</u>	<u>(283,972,852)</u>	<u>-</u>
Accumulated Reserve		<u>388,591,942</u>	<u>381,203,229</u>	<u>353,052,035</u>

The notes on pages 14 to 29 are an integral part of these financial statements.

Petroleum Funds

Ghana Heritage Fund

For the year ended 31 December 2019

Statement of deposits and withdrawals

(All amounts are in US Dollars)

	Note	2019	2018	2017
Opening balance		485,172,433	344,792,659	276,962,289
Receipts from distribution	8	<u>80,701,702</u>	<u>131,024,315</u>	<u>61,150,251</u>
Total		<u>565,874,135</u>	<u>475,816,976</u>	<u>338,112,540</u>
Add:				
Gross interest received	9b.2	13,764,011	9,380,765	6,701,744
Less:				
Bank charges	10	<u>(25,817)</u>	<u>(25,306)</u>	<u>(21,625)</u>
Total fund balance		579,612,329	485,172,433	344,792,659
Less withdrawals		-	-	-
Accumulated reserve		<u>579,612,329</u>	<u>485,172,433</u>	<u>344,792,659</u>

The notes on pages 14 to 2 are an integral part of these financial statements.

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

1) Mandate

The Bank of Ghana is responsible for the management of petroleum revenue in a responsible, transparent, accountable and sustainable manner for the benefit of the citizens in Ghana in accordance with the Petroleum Revenue Management Act, 2011, Act 815 as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

1.1 Major funds

Petroleum Holding Fund (Section 2 of Act 815)

The Petroleum Holding Fund is the designated public fund at the Bank of Ghana that receives and disburses petroleum revenue due the Republic. Petroleum revenues are deposited into this fund for subsequent transfers in accordance with Section 11 of Act 815 as amended by amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

The Ghana Petroleum Funds comprise the Ghana Stabilisation Fund and Ghana Heritage Fund. The Ghana Petroleum Funds receives 30% allocation (net of GNPC carried & participating interest and equity financing cost) from the Petroleum Holding Fund. In addition, petroleum revenues in excess of the Annual Budget Funding Amount (ABFA) is also allocated to the Ghana petroleum Funds. The Annual Budget Funding Amount represents the amount of petroleum revenue allocated for spending in the financial year budget.

The Ghana Stabilisation Fund (Section 9 of Act 815) is a fund established to cushion the impact on or sustain public expenditure capacity during periods of unanticipated petroleum revenue shortfalls. The Ghana Stabilisation Fund receives from the Petroleum Holding Fund:

- Twenty one percent (21%) of petroleum revenue net of GNPC payments and,
- Seventy percent (70%) of the excess petroleum revenue remaining after the target for the annual budget funding amount for the quarter is met.

The Ghana Heritage Fund (Section 10 of Act 815 and section 3 of Act 893) is a fund established to provide an endowment to support development for future generations when petroleum reserves have been depleted. The Ghana Heritage Fund receives from the Petroleum Holding Fund:

- Nine percent (9%) of petroleum revenue net of GNPC payments and
- Thirty percent (30%) of the excess petroleum revenue remaining after the target for the annual budget funding amount for the quarter is met.

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

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 (GNPC) and Consolidated Fund (Annual Budget Funding Amount).

Transfers made to GNPC are to enable the corporation meet its equity financing obligations in respect of producing fields and also a share of net carried and participating interest to meet specific planned activities approved in the National Budget.

The transfers made into the Annual Budget Funding Amount (ABFA) are to support 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 under Cash Basis of accounting (Cash basis IPSAS) as issued by International Public sector Account 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

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

3. Total receipts

	Note	2019	2018	2017
Ghana Group Oil Lifting Proceeds	3a	742,782,094	813,941,122	501,300,433
Corporate tax payments	3b	191,137,447	148,563,611	36,957,622
Surface rentals	3c	1,109,538	689,396	1,569,828
Other receipts	3d	2,639,112	1,521,695	583,553
Total funds received		<u>937,668,191</u>	<u>964,715,824</u>	<u>540,411,436</u>

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

3.a Ghana Group Oil Lifting Proceeds

	2019	2018	2017
Jubilee 35th Lifting	-	-	52,660,594
Jubilee 36th Lifting	-	-	51,400,467
Jubilee 37th Lifting	-	-	45,721,393
Jubilee 38th Lifting	-	-	44,335,440
Jubilee 39th Lifting	-	-	53,956,558
Jubilee 40th Lifting	-	-	54,559,886
Jubilee 41st Lifting	-	63,387,364	-
Jubilee 42nd Lifting	-	63,038,307	-
Jubilee 43rd Lifting	-	76,676,505	-
Jubilee 44th Lifting	-	69,543,489	-
Jubilee 45th Lifting	-	74,960,392	-
Jubilee 46th Lifting	-	55,820,554	-
Jubilee 47th Lifting	57,002,043	-	-
Jubilee 48th Lifting	66,846,477	-	-
Jubilee 49th Lifting	64,500,218	-	-
Jubilee 50th Lifting	64,229,486	-	-
Jubilee 51st Lifting	60,105,063	-	-
Jubilee 52nd Lifting	60,839,827	-	-
Ten 1st Lifting	-	-	51,008,736
Ten 2nd Lifting	-	-	49,020,171
Ten 3rd Lifting	-	-	45,175,945
Ten 4th Lifting	-	-	53,461,243
Ten 5th Lifting	-	62,326,724	-
Ten 6th Lifting	-	61,556,443	-
Ten 7th Lifting	-	73,011,377	-
Ten 8th Lifting	-	71,515,068	-
Ten 9th Lifting	-	79,074,297	-
Ten10th Lifting	54,201,161	-	-
Ten11th Lifting	63,169,415	-	-
Ten 12th Lifting	64,852,671	-	-
Ten13th Lifting	59,545,461	-	-
Sankofa 1st Lifting	-	63,030,602	-
Sankofa 2nd Lifting	70,002,598	-	-
Sankofa 3rd Lifting	57,487,674	-	-
Total proceeds from oil lifting	<u>742,782,094</u>	<u>813,941,122</u>	<u>501,300,433</u>

Total lifting proceeds comprised of lifting proceeds from the Jubilee Fields, the Tweneboa Enyenra Ntomme (TEN) Oil Field and the **Sankofa Gye-Nyame** (SGN) Fields.

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

3. b Corporate tax payments

	2019	2018	2017
Kosmos Energy Limited	41,533,712	35,934,289	36,957,622
Tullow Oil Ghana Limited	75,000,000	52,000,000	-
Anadarko Petroleum Limited	65,969,170	50,202,493	-
Petro SA Limited	8,634,565	10,426,829	-
Total corporate tax payments	<u>191,137,447</u>	<u>143,563,611</u>	<u>36,957,622</u>

3.c Surface rentals

	2019	2018	2017
Tullow Oil Ghana Limited	77,725	59,261	59,261
Kosmos Energy	-	18,464	17,797
Petrogulf Limited	47,230	-	141,998
Hess Ghana Exploration Limited	-	150,750	150,750
ENI Ghana EP Limited	96,211	78,950	141,998
Blue Star Exploration Ghana Limited	13,538	3,913	17,475
GNPC Operating Services (GOSCO)	-	-	111,950
Springfield Exploration and Production Limited	33,650	64,534	33,650
Erin Energy	-	-	150,400
UB Group	-	-	130,472
Amni Petroleum Development Company Limited	13,974	13,974	13,974
Medea Development International Limited	-	78,250	78,230
Exxon Mobile Exploration	55,245	-	-
Petrica AS	-	174,100	522,300
Sahara Energy Field	409,315	-	-
UB Group	37,800	-	-
AGM Petroleum	174,100	-	-
Aker	150,750	-	-
Asem Sabastain Klenam	-	47,200	-
Total surface rental fees	<u>1,109,538</u>	<u>689,396</u>	<u>1,570,255</u>

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

3.d Other receipts

	2019	2018	2017
Interest earned on Petroleum Holding Fund	2,639,112	1,521,695	579,279
Interest on TEN 3 late payment	-	-	4,274
Total other receipts	<u>2,639,112</u>	<u>1,521,695</u>	<u>583,553</u>

4. Transfers to GNPC Equity Finance Cost

	2019	2018	2017
Jubilee 35th Lifting	-	-	4,339,801
Jubilee 36th Lifting	-	-	-
Jubilee 37th Lifting	-	-	17,849,899
Jubilee 38th Lifting	-	-	4,678,490
Jubilee 39th Lifting	-	-	3,571,994
Jubilee 40th Lifting	-	-	4,173,017
Jubilee 41st Lifting	-	2,750,120	-
Jubilee 42nd Lifting	-	6,831,653	-
Jubilee 43rd Lifting	-	45,656,157	-
Jubilee 44th Lifting	-	-	-
Jubilee 45th Lifting	-	18,562,369	-
Jubilee 46th Lifting	-	9,413,265	-
Jubilee 47th Lifting	11,710,085	-	-
Jubilee 48th Lifting	18,410,730	-	-
Jubilee 49th Lifting	11,577,418	-	-
Jubilee 50th Lifting	8,793,514	-	-
Jubilee 51st Lifting	12,109,339	-	-
Jubilee 52nd Lifting	10,604,569	-	-
Ten 1st Lifting	-	-	15,103,886
Ten 2nd Lifting	-	-	14,515,063
Ten 3rd Lifting	-	-	18,376,774
Ten 4th Lifting	-	-	20,830,083
Ten 5th Lifting	-	23,455,186	-
Ten 6th Lifting	-	23,227,103	-
Ten 7th Lifting	-	26,618,953	-
Ten 8th Lifting	-	21,175,890	-
Ten 9th Lifting	-	23,414,207	-
Ten 10th Lifting	16,049,175	-	-
Ten 11th Lifting	18,704,710	-	-
Ten 12th Lifting	19,203,128	-	-
Ten 13th Lifting	17,631,642	-	-
Sankofa 1st Lifting	-	-	-
Sankofa 2nd Lifting	-	-	-
Sankofa 3rd Lifting	10,580,182	-	-
Total transfers	<u>155,374,492</u>	<u>201,104,903</u>	<u>103,439,007</u>

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

5. GNPC Share of Crude Oil Carried & Participating Interest (Crude Oil)

	2019	2018	2017
Jubilee 35th Lifting	-	-	10,097,786
Jubilee 36th Lifting	-	-	11,126,940
Jubilee 37th Lifting	-	-	4,542,590
Jubilee 38th Lifting	-	-	8,193,988
Jubilee 39th Lifting	-	-	10,608,672
Jubilee 40th Lifting	-	-	10,558,971
Jubilee 41st Lifting	-	12,896,773	-
Jubilee 42nd Lifting	-	11,596,750	-
Jubilee 43rd Lifting	-	2,901,734	-
Jubilee 44th Lifting	-	15,054,459	-
Jubilee 45th Lifting	-	10,658,374	-
Jubilee 46th Lifting	-	9,259,800	-
Jubilee 47th Lifting	8,826,518	-	-
Jubilee 48th Lifting	8,947,403	-	-
Jubilee 49th Lifting	10,489,489	-	-
Jubilee 50th Lifting	11,266,053	-	-
Jubilee 51st Lifting	9,378,469	-	-
Jubilee 52nd Lifting	9,988,959	-	-
TEN 1st Lifting	-	-	6,796,748
TEN 2nd Lifting	-	-	6,531,779
TEN 3rd Lifting	-	-	4,519,548
TEN 4th Lifting	-	-	5,623,536
TEN 5th Lifting	-	6,804,834	-
TEN 6th Lifting	-	6,702,196	-
TEN 7th Lifting	-	8,228,529	-
TEN 8th Lifting	-	9,529,151	-
TEN 9th Lifting	-	10,536,394	-
TEN 10th Lifting	7,222,129	-	-
TEN 11th Lifting	8,417,119	-	-
TEN 12th Lifting	8,641,408	-	-
TEN 13th Lifting	7,934,239	-	-
SANKOFA 1st Lifting	-	-	-
SANKOFA 2nd Lifting	-	-	-
SANKOFA 3rd Lifting	14,072,248	-	-
Total transfers	<u>105,184,034</u>	<u>104,168,994</u>	<u>78,600,558</u>

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

6. Transfer to Annual Budget Funding Amount (ABFA)

	2019	2018	2017
Jubilee 35th Lifting	-	-	2,848,051
Jubilee 36th Lifting	-	-	28,439,260
Jubilee 37th Lifting	-	-	-
Jubilee 38th Lifting	-	-	11,176,499
Jubilee 39th Lifting	-	-	28,155,478
Jubilee 40th Lifting	-	-	14,209,190
Jubilee 41st Lifting	-	42,123,233	-
Jubilee 42nd Lifting	-	11,184,532	-
Jubilee 43rd Lifting	-	-	-
Jubilee 44th Lifting	-	31,853,650	-
Jubilee 45th Lifting	-	54,769,187	-
Jubilee 46th Lifting	-	-	-
Jubilee 47th Lifting	47,402,044	-	-
Jubilee 48th Lifting	38,673,877	-	-
Jubilee 49th Lifting	29,892,123	-	-
Jubilee 50th Lifting	9,728,840	-	-
Jubilee 51st Lifting	27,318,599	-	-
Jubilee 52nd Lifting	28,049,760	-	-
TEN 1st Lifting	-	-	39,516,617
TEN 2nd Lifting	-	-	13,925,408
TEN 3rd Lifting	-	-	31,188,171
TEN 4th Lifting	-	-	-
TEN 5th Lifting	-	16,652,596	-
TEN 6th Lifting	-	47,591,297	-
TEN 7th Lifting	-	26,922,179	-
TEN 8th Lifting	-	-	-
TEN 9th Lifting	-	4,006,642	-
TEN 10th Lifting	74,504,618	-	-
TEN11th Lifting	5,083,442	-	-
TEN 12th Lifting	26,030,620	-	-
TEN 13th Lifting	23,785,705	-	-
SANKOFA 1st Lifting	-	-	-
SANKOFA 2nd Lifting	49,252,268	-	-
SANKOFA 3rd Lifting	35,749,785	-	-
Total transfers	<u>395,471,682</u>	<u>235,103,317</u>	<u>169,458,673</u>

The annual budget funding amount benchmark for 2019 was set at US\$118.262 million per quarter but was revised downward during the Mid-year US\$114.903 million.

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

7. Transfer to Ghana Stabilisation Fund

	2019	2018	2017
Jubilee 35th Lifting	-	-	24,762,469
Jubilee 36th Lifting	-	-	8,531,778
Jubilee 37th Lifting	-	-	16,528,874
Jubilee 38th Lifting	-	-	14,200,525
Jubilee 39th Lifting	-	-	8,446,643
Jubilee 40th Lifting	-	-	19,972,480
Jubilee 41st Lifting	-	12,636,970	-
Jubilee 42nd Lifting	-	23,481,360	-
Jubilee 43rd Lifting	-	38,502,367	-
Jubilee 44th Lifting	-	39,169,603	-
Jubilee 45th Lifting	-	16,430,756	-
Jubilee 46th Lifting	-	26,085,527	-
Jubilee 47th Lifting	14,220,613	-	-
Jubilee 48th Lifting	11,602,163	-	-
Jubilee 49th Lifting	8,967,637	-	-
Jubilee 50th Lifting	52,308,600	-	-
Jubilee 51st Lifting	8,195,580	-	-
Jubilee 52nd Lifting	8,537,578	-	-
TEN 1st Lifting	-	-	11,854,985
TEN 2nd Lifting	-	-	9,833,544
TEN 3rd Lifting	-	-	9,356,451
TEN 4th Lifting	-	-	19,196,171
TEN 5th Lifting	-	10,812,028	-
TEN 6th Lifting	-	14,277,388	-
TEN 7th Lifting	-	8,076,654	-
TEN 8th Lifting	-	28,567,019	-
TEN 9th Lifting	-	36,552,527	-
TEN 10th Lifting	22,351,385	-	-
TEN 11th Lifting	21,674,901	-	-
TEN 12th Lifting	7,809,186	-	-
TEN 13th Lifting	7,135,712	-	-
SANKOFA 1st Lifting	-	51,131,202	-
SANKOFA 2nd Lifting	14,775,681	-	-
SANKOFA 3rd Lifting	10,724,932	-	-
Total transfers	<u>188,303,970</u>	<u>305,723,401</u>	<u>142,683,920</u>

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

8. Transfer to Ghana Heritage Fund

	2019	2018	2017
Jubilee 35th Lifting	-	-	10,612,487
Jubilee 36th Lifting	-	-	3,656,476
Jubilee 37th Lifting	-	-	7,083,803
Jubilee 38th Lifting	-	-	6,085,939
Jubilee 39th Lifting	-	-	3,619,990
Jubilee 40th Lifting	-	-	8,559,634
Jubilee 41st Lifting	-	5,415,844	-
Jubilee 42nd Lifting	-	10,063,440	-
Jubilee 43rd Lifting	-	16,501,014	-
Jubilee 44th Lifting	-	16,786,973	-
Jubilee 45th Lifting	-	7,041,753	-
Jubilee 46th Lifting	-	11,179,512	-
Jubilee 47th Lifting	6,094,549	-	-
Jubilee 48th Lifting	4,972,356	-	-
Jubilee 49th Lifting	3,843,273	-	-
Jubilee 50th Lifting	22,417,971	-	-
Jubilee 51st Lifting	3,512,391	-	-
Jubilee 52nd Lifting	3,658,962	-	-
TEN 1st Lifting	-	-	5,080,708
TEN 2nd Lifting	-	-	4,214,376
TEN 3rd Lifting	-	-	4,009,908
TEN 4th Lifting	-	-	8,226,930
TEN 5th Lifting	-	4,633,726	-
TEN 6th Lifting	-	6,118,881	-
TEN 7th Lifting	-	3,461,423	-
TEN 8th Lifting	-	12,243,008	-
TEN 9th Lifting	-	15,665,369	-
TEN 10th Lifting	9,579,165	-	-
TEN11th Lifting	9,289,243	-	-
TEN 12th Lifting	3,346,794	-	-
TEN 13th Lifting	3,058,162	-	-
SANKOFA 1st Lifting	-	21,913,372	-
SANKOFA 2nd Lifting	6,332,435	-	-
SANKOFA 3rd Lifting	4,596,401	-	-
Total	<u>80,701,702</u>	<u>131,024,316</u>	<u>61,150,251</u>

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

9a. Investments income

	2019	2018	2017
Ghana Stabilisation Fund Investment Income (Note 9b.1)	8,222,605	6,409,693	2,625,276
Ghana Heritage Fund Investment Income (Note 9b.2)	13,764,011	9,380,765	6,701,744
Total Income	<u>21,986,616</u>	<u>15,790,458</u>	<u>9,327,020</u>

9b.1 Investment income received is classified in the following categories

	2019	2018	2017
Ghana Stabilisation Fund			
Bonds	1,748,521	1,962,933	818,200
US treasury bill	954,033	2,406,114	-
Over-night income	5,520,051	2,040,646	1,807,076
Total	<u>8,222,605</u>	<u>6,409,693</u>	<u>2,625,276</u>

	2019	2018	2017
9b.1 Ghana Heritage Fund			
Bonds	10,893,908	8,556,599	6,107,752
US treasury bill	499,178	36,526	-
Over-night income	2,370,925	787,640	593,992
Total	<u>13,764,011</u>	<u>9,380,765</u>	<u>6,701,744</u>

	2019	2018	2017
10. Bank charges			
Ghana Stabilisation Fund	7,444	9,048	5,822
Ghana Heritage Fund	25,817	25,306	21,625
Total	<u>33,261</u>	<u>34,354</u>	<u>27,447</u>

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

11.a Investments

	2019	2018	2017
Ghana Stabilisation Fund	63,221,467	231,085,751	169,606,890
Ghana Heritage Fund	<u>401,472,707</u>	<u>406,344,377</u>	<u>284,660,824</u>
Total	<u>464,694,174</u>	<u>637,430,128</u>	<u>454,267,714</u>

11.b Custodian bank used

	Euroclear	Federal Reserve	Total
Ghana Stabilisation Fund	34,201,454	29,020,013	63,221,467
Ghana Heritage Fund	<u>175,595,818</u>	<u>225,876,889</u>	<u>401,472,707</u>
Total	<u>209,797,272</u>	<u>254,896,902</u>	<u>464,694,174</u>

Interest income of US\$3,592,269.00 attributable to the total investment of US\$464,694,174 held as at 31 December 2019, is receivable in 2020. The table below shows the details.

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

11.c Investment schedule

Type of Security	Duration	Cost of investment			Nominal value of investment			Accrued interest: Dec. 31, 2019			
		Heritage Fund	Stabilisation Fund	Total	Heritage Fund	Stabilisation Fund	Total	Coupon Range %	Heritage Fund	Stabilisation Fund	Total
Bonds	2 years	10,002,344	10,000,839	20,003,183	10,000,000	10,000,000	20,000,000	2.25	76,648	57,787	134,435
Bonds	3 years	-	25,999,016	25,999,016	-	26,000,000	26,000,000	1.375-2.25	-	128,048	128,048
Bonds	5 years	49,730,782	16,995,275	66,726,057	50,000,000	17,000,000	67,000,000	1.125-2.375	293,071	81,689	374,760
Bonds	6 years	56,193,098	5,048,958	61,242,056	55,500,000	5,000,000	60,500,000	1.625-8	378,276	26,042	404,318
Bonds	7 years	89,145,192	1,015,285	90,160,477	89,500,000	1,000,000	90,500,000	1.5-4	728,805	103	728,908
Bonds	10 years	153,432,353	4,162,094	157,594,447	153,500,000	4,000,000	157,500,000	1.625-5.25	1,392,298	34,507	1,426,805
Bonds	30 years	42,968,633	-	42,968,633	37,000,000	-	37,000,000	2.25-6.25	394,995	-	394,995
Total		401,472,402	63,221,467	464,693,869	395,500,000	63,000,000	458,500,000		3,264,093	328,176	3,592,269

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

12. Bank Balances

	2019	2018	2017
Ghana Stabilisation Fund	325,370,477	150,117,480	183,445,147
Ghana Heritage Fund	178,139,625	78,828,059	60,131,838
Petroleum Holding Fund	12,858,782	226,471	12,635,576
Total	516,368,884	229,172,010	256,212,561

13. Fund Balances (Allocation to Ghana Petroleum Funds from inception from Petroleum Holding Fund)

	2019	2018	2017
Ghana Stabilisation Fund	1,270,580,337	1,082,276,368	776,552,966
Ghana Heritage Fund	535,446,425	454,744,723	323,720,408
Petroleum Holding Fund	12,858,782	226,471	12,635,576
Total	1,818,885,544	1,537,247,562	1,112,908,950
Withdrawal from Ghana Stabilisation Fund	(883,677,931)	(703,207,556)	(427,807,974)
Closing balance	935,207,613	834,040,002	685,100,976

An analysis of petroleum receipts and disbursements is presented below:

	Petroleum Holding Fund	Ghana Stabilisation Fund	Ghana Heritage Fund
Year ended 31 December 2019			
Balance at 1 January 2019	226,471	379,068,812	454,744,423
Total receipts from lifting	937,668,191	188,303,970	80,701,702
Total disbursements	(925,035,880)	(180,470,376)	-
Balance at 31 December 2019	12,858,782	386,902,406	535,446,425

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

(All amounts are in US Dollars)

13. Fund Balances (Allocation to Ghana Petroleum Funds from inception from Petroleum Holding Fund) - continued

Year ended 31 December 2018	Petroleum Holding Fund	Ghana Stabilisation Fund	Ghana Heritage Fund
Balance at 1 January 2018	12,635,576	348,744,992	323,720,408
Total receipts from distribution	<u>964,715,824</u>	<u>305,723,401</u>	<u>131,024,315</u>
Total disbursements	977,351,400 <u>(977,124,929)</u>	654,468,393 <u>(275,399,581)</u>	454,744,723 <u>-</u>
Balance at 31 December 2018	<u>226,471</u>	<u>379,068,812</u>	<u>454,744,723</u>
Year ended 31 December 2017	Petroleum Holding Fund	Ghana Stabilisation Fund	Ghana Heritage Fund
Balance at 1 January 2017	27,556,550	206,061,072	262,570,157
Total receipts from distribution	<u>540,411,436</u>	<u>142,683,920</u>	<u>61,150,251</u>
Total disbursements	567,967,986 <u>(555,332,410)</u>	348,744,992 <u>-</u>	323,720,408 <u>-</u>
Balance at 31 December 2017	<u>12,635,576</u>	<u>348,744,992</u>	<u>323,720,408</u>

Funds accounts represents the Petroleum receipts and disbursements and excludes interest and charges incurred on the fund balances. Interest income earned on the Ghana Stabilisation Fund and the Ghana Heritage Fund together with interest charge are recognised in the income reserve on page 7.

14. Withdrawals from the Ghana Stabilisation Fund

	2019	2018	2017
Transfer to sinking fund	<u>189,130,418</u>	<u>283,972,852</u>	<u>-</u>

Paragraph 199 of the 2019 National Budget capped the Ghana Stabilisation Fund at US\$300million. There were withdrawals under section 23 of the Petroleum Revenue Management Act, 2011, (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

Petroleum Funds

Note to the financial statements

For the year ended 31 December 2019

The withdrawal from the Ghana Stabilisation Fund that was transferred to the Sinking Fund is made up of US\$8,660,043 (2018: US\$8,573,271) representing interest withdrawn from income reserve and US\$180,470,375 (2018: US\$275,399,581) lifting proceeds withdrawn from the accumulated fund.

The ABFA target of US\$466.33 million was not met 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). Withdrawals were therefore made from the Ghana Stabilisation Fund.

(All amounts are in US Dollars)

15. Income reserve

	2019	2018	2017
Income Reserve			
Opening Net Income	32,562,132	25,379,299	16,079,726
Surplus for the year	<u>21,953,355</u>	<u>15,756,104</u>	<u>9,299,573</u>
Total since inception	<u>54,515,487</u>	<u>41,135,403</u>	<u>25,379,299</u>
Withdrawal from Ghana Stabilisation Fund	<u>(8,660,042)</u>	<u>(8,573,271)</u>	<u>-</u>
Accumulated reserve	<u>45,855,445</u>	<u>32,562,132</u>	<u>25,379,299</u>

16. Petroleum Holding Fund Interest

	2019	2018	2017
Interest Distributed with Lifting proceeds	2,526,655	1,495,225	436,396
Undistributed Interest	<u>112,457</u>	<u>26,470</u>	<u>142,882</u>
Total Interest Received	<u>2,639,112</u>	<u>1,521,695</u>	<u>579,278</u>

17. Withdrawals from the Ghana Stabilisation Fund (GSF)

The Ghana Stabilisation fund was capped in 2019 at US\$300 million there, were withdrawals under section 23 of the Petroleum Revenue Management Act (PRMA), Act 815 and 893 as amended.

The ABFA target of US\$466.33million was not met; per section 12 of the PRMA, Act 815 and Act 893 as amended.