

Botswana Oil Limited (BOL) was established in order to achieve Government's broader economic objectives of ensuring security of fuel supply and facilitating active citizen involvement in the petroleum industry. As the National Oil Company (NOC) of Botswana, BOL serves as the Government's transformation agent charged with this important responsibility.

BOL is a company incorporated under the Companies Act of Botswana. It is wholly owned by the Government of Botswana, represented by Ministry of Minerals, Energy and Water Resources (MMEWR). The company functions under defined governance and operating principles to inform and guide its operations.





## CORE VALUES

The following core values represent the organisational values that will drive the organisation towards attainment of its Vision and Mission.

### TEAMWORK

We treat one another with respect and communicate openly. We foster collaboration while encouraging individual contribution and responsibility. We encourage the best ideas to surface from anywhere within the organisation. We appreciate the value of multiple perspectives and foster a values driven culture based on integrity, respect and teamwork.

### CONTINUOUS IMPROVEMENT

We are committed to excellence in the execution of base business processes and organisational capability across all functions of depot operations, maintenance and reliability, product supply planning and scheduling and we continually strive to improve. We are passionate about achieving results that exceed expectations - our own and those of others. We drive for results with energy and a sense of urgency. We seek new opportunities and out-of-the-ordinary solutions. We use our creativity to find unexpected and practical ways to solve problems. Our experience, technology and perseverance enable us to overcome challenges and deliver value.

### INTEGRITY

We are honest with others and ourselves. We meet the highest ethical standards in all business dealings. We do what we say we will do. We accept responsibility and hold ourselves accountable for our work and our actions. We encourage a culture of zero tolerance to fraud and corruption and are responsible corporate citizens.

### COMMERCIAL FOCUS

We commit to fostering a business mind-set within our organisation which promotes profitability, efficiency and the implementation of best practice business processes. We have an unwavering commitment to being a good partner focused on building productive, collaborative, trusting and beneficial relationships with governments, other companies, our customers and our communities.

### SOCIAL RESPONSIBILITY

We will endeavour to create a clean, safe and healthy workplace and environment. All aspects of our business are managed in a safe and environmentally responsible manner in accordance with statutory requirements.

## VISION STATEMENT

The vision statement below captures what the organisation aspires to be in the future.

To be a significant player in the Oil and Gas Industry.

## MISSION STATEMENT

The mission statement defines why the company exists. Botswana Oil Limited's mission is:

Ensuring security and efficiency of supply of petroleum products for Botswana and facilitation of citizen emerging companies.

# VISION | MISSION

# TABLE OF CONTENTS

MISSION & VISION STATEMENTS	2
OUR VALUES	2
ACRONYMS	5
GLOBAL VALUE CHAIN	6
BOL VALUE CHAIN	8
BOARD OF DIRECTORS	10
EXECUTIVE COMMITTEE	14
SENIOR MANAGEMENT	16
CHAIRPERSON'S STATEMENT	18
CEO'S REMARKS	22
BOL ORGANOGRAM	26
CORPORATE COUNSEL SERVICES	28
HUMAN RESOURCE REPORT	30
SALES PERFORMANCE	31
OPERATIONAL REPORT	34
HEALTH SAFETY SECURITY ENVIRONMENT	37
INFORMATION COMMUNICATION TECHNOLOGY	40
SUPPLY AND MANUFACTURING	41
MARKETING COMMUNICATIONS	42
FINANCIAL STATEMENTS	44



TANK = GI  
PRODUCT = DIESEL  
HEIGHT = 17.095m



# ACRONYMS

Botswana Bureau of Standards  
Botswana Energy Regulating Authority  
Botswana Oil Limited  
Citizen Emerging Company  
Coal-to-Liquids  
Department of Energy  
Department of Environmental Affairs  
Environmental Management Plan  
Gas-to-Liquids  
Hazard and Operability Study  
International Oil Company  
Management Tender Committee  
Ministry of Minerals, Energy and Water Resources  
Mobile Filling Stations  
National Oil Companies  
National Petroleum Corporation of Namibia  
National Strategy Office  
Non-Bank Financial Institutions Regulatory Authority  
Oil Marketing Company  
Petroleos de Mocambique  
Petroleum Oil and Gas Corporation of South Africa  
Petroleum Products Supply Bill  
Public Enterprises Evaluation and Privatisation Agency  
Public Procurement and Asset Disposal Board  
Republic of South Africa  
Return on Investment  
Underground Coal Gasification  
Village Development Committee

**BOBS**  
**BERA**  
**BOL**  
**CEC**  
**CTL**  
**DoE**  
**DEA**  
**EMP**  
**GTL**  
**HAZOP**  
**IOC**  
**MTC**  
**MMEWR**  
**MFS**  
**NOC**  
**NamCor**  
**NSO**  
**NBIFIRA**  
**OMC**  
**PetroMoc**  
**PetroSA**  
**PPSB**  
**PEEPA**  
**PPADB**  
**RSA**  
**ROI**  
**UCG**  
**VDC**



# THE GLOBAL OIL AND GAS VALUE CHAIN



### UPSTREAM



EXPLORATION  
FIELD DEVELOPMENT  
PRODUCTION OPERATIONS

### MIDSTREAM



TRANSPORTATION  
PROCESSING  
STORAGE & DISTRIBUTION

### DOWNSTREAM



MANUFACTURING  
REFINING & PETRO-CHEMICALS  
WHOLESALE & MARKETING

RAW CRUDE/GAS

FEEDSTOCK

# OUR ROLE


## IN THE GLOBAL VALUE CHAIN

**UPSTREAM PROCESSES**



EXPLORATION  
FIELD DEVELOPMENT  
PRODUCTION OPERATIONS  
(PLANNED)

**MIDSTREAM PROCESSES**



TRANSPORTATION  
STORAGE  
& HANDLING

SHIP





# BOL VALUE CHAIN

## MIDSTREAM PROCESSES



TRANSPORTATION  
STORAGE  
& HANDLING

RAIL / ROAD

## DOWNSTREAM PROCESSES

### WHOLESALE DISTRIBUTION

BOL IMPORTS  
DEPOT OPERATIONS

LOCAL DEPOTS:  
GABORONE  
FRANCISTOWN  
GANTSI (PLANNED)  
TSHELE HILLS (PLANNED)

RAIL / ROAD

## CUSTOMERS MARKETS



INTERNATIONAL OIL COs  
CITIZEN COMPANIES  
COMMERCIAL CUSTOMERS  
EXPORT

# BOARD OF DIRECTORS

Botswana Oil Limited (BOL) was established in order to achieve Government's broader economic objectives of ensuring security of fuel supply and facilitating active citizen involvement in the petroleum industry. BOL has a vision to be a significant player in the Oil and Gas Industry and will realise this vision through the efforts of an exceptional workforce guided by a stellar leadership team and a committed Board of Directors.



## 1. DR. JOEL SENTSHO

**| BOARD CHAIRMAN |**

Dr. Sentsho holds a PhD in Economics from the University of Strathclyde, Glasgow, Scotland. He has been the Trade Policy Advisor in the Ministry of Trade and Industry (MTI) since 2008. Dr. Sentsho is responsible for among others, Botswana's economic policy formulation, strategy development and their implementation as well as the country's global competitiveness. Before he joined MTI, Dr. Sentsho worked as a Lecturer at the University of Botswana and a Senior Research Fellow at BIDPA. He has published several journal articles and books. Dr. Sentsho is Board Member of Bank of Botswana, SPEDU and Assembly of God Bible College.



## 2. MR. WILLIE MOKGATLHE

**| EXECUTIVE DIRECTOR |**

Willie Mokgatlhe holds a Master of Science Degree in Air Transport Management from Cranfield Institute of Technology (United Kingdom) and a Bachelor of Commerce Degree from the University of Botswana. He has held senior positions in large private and parastatal organisations in Botswana, Namibia, South Africa and the Netherlands. He has worked for Shell International in various countries. As the founding CEO of BOL he brings to the company a wealth of experience in Strategy development and Business Planning, Finance, Marketing and Stakeholder Management.



## 3. MR. KENNETH KEREKANG

**| BOARD MEMBER |**

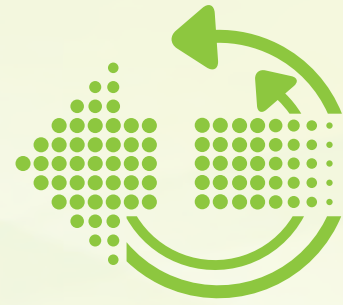
Kenneth Kerekang holds an MSc in Energy Management from the New York Institute of Technology as well as a BA in Economics from the University of Botswana. An accomplished Petroleum Economist with more than 18 years in the petroleum industry, Kenneth brings a wealth of experience to the BOL board. He is currently the Director in the Department of Energy (DoE). In this role he acts as chief advisor to the Government of Botswana on energy matters. He is also charged with developing and implementing energy policies.



## 4. MR. MBAKO MBO

**| BOARD MEMBER |**

Mbako Mbo holds an MBA from the University of Derby, United Kingdom. He is also an ACCA qualified Accountant with additional Professional Qualifications in Corporate Treasury (AMCT - UK). He has held financial and treasury management as well as auditing roles in various organisations including BTC, BPC, Barclays Bank and Deloitte. He is currently Chief Risk Officer at Botswana Development Corporation (BDC). He has previously worked for the African Development Bank Group covering a large investment and country program portfolio across 7 African countries on issues of financial management and fiduciary risk. Mbako has sat on a number of boards including that of Botswana National Youth Council.



**5. MR. STEPHEN KEBAKILE**

**I BOARD MEMBER I**

Stephen Kagiso Kebakile holds an MA in Development Economics from Williams College in the United States of America as well as a BA Economics Degree from the University of Botswana. He has held leadership positions in various Government Ministries including Head of the Ministerial Planning Unit in the Ministry of Health and the Ministry of Local Government where he was instrumental in the planning and implementation of development policies and projects. He is currently the Chief Economist - Development Cooperation in the Ministry of Finance and Development Planning.



**6. MR. GOLEKANYE RABASHA**

**I BOARD MEMBER I**

Golekanye Gobuamang Rabasha holds a Bachelor of Laws from the University of Botswana as well as an LL.M Degree from the University of South Africa. In his career spanning close to 30 years he has amassed great experience in criminal and civil litigation; drafting regulatory legislation commercial law; mineral, energy and water laws, undertaking legal research and has been involved in a number of legislative reviews. He is currently Principal State Counsel, International and Commercial Division in the Attorney General's Chambers. He is on secondment to the Ministry of Minerals, Energy and Water Resources (MMEWR), where he serves as Legal Advisor to the Ministry.



**7. MR. OGOMODITSE MARUAPULA**

**I BOARD MEMBER I**

Ogomoditse B. Maruapula holds an MSc in Environmental Planning from the University of Botswana as well as several post graduate qualifications. He has contributed substantially in various disciplines of research and advisory services throughout his career. He is a Life Fellow with the Institute of Management Specialists (FIMS), England, United Kingdom as well as a Full and Life Member at the Institute of Professional Managers and Administrators (MInstPM) Jersey, United Kingdom. He is currently General Director at EBAT Consultants, his own company.



**8. MRS. BATSHO DAMBE-GROTH**

**I BOARD MEMBER I**

Batsho Dambe-Groth has a Bachelor of Science (Hons) in Occupational Psychology from the University of Wales Institute of Science and Technology. She has a strong background in Human Resource Management and has held senior and executive positions in the parastatal and financial services sectors. She has extensive skills in corporate culture building, organisation development, operational efficiency and remuneration. She holds a number of board positions including Council Member of Maru A Pula School and Chairperson of Botswana Insurance Holdings Limited. She is the Managing Director of Resource Logic, a business and human resource management consultancy firm.



**MESHACK TSHEKEDI**  
GM - Corporate Policy, Strategy & Business Planning



**NOREEN M. EVANS**  
GM - Supply & Manufacturing





**WILLIE MOKGATLHE**  
Chief Executive Officer



**MOSETLHO KENAMILE**  
GM - Operations



**FAVOR MAREBOLE**  
GM - Corporate Services

# EXECUTIVE COMMITTEE

## 1. WILLIE MOKGATLHE

CHIEF EXECUTIVE OFFICER



Willie Mokgatlhe holds a Master of Science Degree in Air Transport Management from Cranfield Institute of Technology (United Kingdom) and a Bachelor of Commerce Degree from the University of Botswana. He has vast experience in the Aviation and Petroleum industry and has held senior positions in large private and parastatal organisations in Botswana, Namibia, South Africa and the Netherlands.

## 2. NOREEN MASEGO EVANS

GM - SUPPLY & MANUFACTURING



Noreen Masego Evans holds an Msc. Strategic Management (Derby, United Kingdom) and a Bachelor of Accountancy Degree from University of Botswana. She also holds an Advanced Diploma in Purchasing & Supply (CIPS, United Kingdom) as well as an MDP Certificate (Stellenbosch University). Noreen has immense experience in Supply Chain Management and has been active in the Mining and Financial Services sectors. Currently Noreen is accountable for the development and execution of the Petroleum products supply and management program at BOL.

## EXCO CONTINUED

### 3. MESHACK TSHEKEDI

GM - CORPORATE POLICY, STRATEGY & BUSINESS PLANNING



Meshack Tshekedi holds an MSc. in Engineering Management (University of Missouri) and a Bachelor of Science in Chemical Engineering and Economics (University of Missouri). He also has a Certificate in the Fundamentals of Supply Chain Management (Centurion Institute of Technology & Management). He has held senior leadership positions in various industries including Brewing and Beverage production, Mining, Emergency Medical Response and Consultancy fields. Meshack is currently the General Manager - Corporate Policy, Strategy & Business Planning for Botswana Oil Limited. This position entails development of the BOL corporate strategy, ensuring business process alignment and monitoring organisational performance.

### 4. MOSETLHO KENAMILE

GM - OPERATIONS



Mosekho Kenamile holds an MSc. in Engineering Management (University of Pretoria) and a Bachelor of Engineering Degree (University of Botswana). He has a career spanning over a decade where he has been active in the Petroleum industry and as part of an Engineering Consultancy. As General Manager - Operations at BOL, Mosekho is accountable for Project Management and efficient management of the national strategic fuel facilities in Francistown and Gaborone.

### 5. FAVOR MAREBOLE

GM - CORPORATE SERVICES



Favour Marebole holds a Master's Degree in Advanced Information Systems and Management (UNSW Business School) and a Bachelor's Degree for Mining and Mineral Engineering (UNSW Australia). He has extensive experience in the financial services industry having worked for American Express, Barclays Investment Bank, BIHL, Blue Financial Services and Stanbic Botswana. Favour has also driven strategy and operations at developmental organisations such as BEDIA and CEDA with a regional and global outlook. Favour is currently the General Manager, Strategy, Policy and Planning at Botswana Oil. He is responsible for the development and roll-out of the Company strategy, planning and driving the sales strategy. He is also responsible for strategic partnerships, bench marking, new ventures and research.



**BIDOH KGAIMENA**  
Engineering & Technical Services Manager



**MANTSO MOKOABI**  
Internal Audit Manager



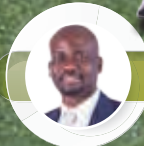
**LUDO MOKOTEDI**  
Marketing & Communications Manager



**BRUCE BUNO**  
Business Development Manager



# SENIOR MANAGEMENT



**GAMU MPOFU**  
New Ventures Manager



**IVEN SEGAISE**  
Business Planning Manager



**GALEBOE MMELESI**  
ICT Manager



**PHATSIMO MOETI-JOEL**  
HSSE Manager



**MOSA MOSIDINYANE**  
Human Resources Manager



**TIDIMALO POONYANE**  
Corporate Counsel & Company Secretary



**THABO SIMON**  
Supply Operations Manager



**OLIVIA RAMASELWANA**  
Finance Manager



**TSHEGOFATSO KENOSI**  
Terminal Operations & Distribution Manager





I am pleased to be presenting the 2014/15 annual report to our shareholder and stakeholders. The Report covers the company's operational and financial statements for the year ended March 2015.

# CHAIRMAN'S REPORT

DR. JOEL SENTSHO



# CHAIRMAN'S REPORT

This is the first Annual Report for BOL, which began its operations in 2013. As you may be aware, the company is a 100 percent government-owned entity. Some of the company's objectives include ensuring secure and efficient supply of fuel products for Botswana; management of government strategic fuel facilities and reserve stock; and facilitation of citizen participation in the oil industry. I am happy to report that, BOL is on course to achieve its strategic objectives as there has been notable and steady progress made in the year under review.

The BOL Board of Directors is proud to have provided strategic direction to an extremely competent Chief Executive Officer (CEO), Mr. Willie Mokgathe. His appointment set the tone for the business recruitment objectives specifically at executive management level. Mr. Mokgathe, whose background includes both regional and international oil industry experience, plays a leading role in ensuring BOL becomes a sustainable and trusted brand in the petroleum sector. It is important to note that while BOL is a government-owned entity it is a commercially driven enterprise that is operated under private sector principles. The Board is confident that the BOL executive management will be instrumental in successfully delivering on its mandates which are key to the country's developmental agenda.

The oil industry remains dynamic and complex. This calls for the company to be prepared for any eventuality. Due to factors such as the volatility of oil prices in both the domestic and global markets, the need for relevant expertise and the capital intensive nature of the oil sector, it is critical that BOL remain responsive and agile in our approach to conducting business.

Since commencing operations, we have ensured uninterrupted supply of fuel to enable economic growth. We have not had any supply challenges during this period and have maintained the country's strategic reserves at optimal levels. In addressing the need for additional storage facilities, the Government has commenced construction of the Tshele Hills facility. On completion, Tshele Hills will increase strategic fuel reserve levels beyond the current levels.

Through the parent Ministry of Minerals, Energy and Water Resources (MMEWR), BOL has contributed to the drafting of the Petroleum Products Supply Bill (PPSB). The Board has keen interest in seeing the tabling and subsequent passing of the Bill due to the positive influence that it will have on attaining the company objectives. Once passed the Bill will facilitate the BOL business model as the procuring entity of fuel products for the domestic market.

BOL has also contributed to the drafting of the Botswana Energy Regulating Authority (BERA) Bill. The passing of this Bill will pave way for the establishment of a regulatory body which BOL will operate under. As a company, we support the establishment of such an authority as it will bring structure to the industry.

In our endeavour to ensure the participation of Citizen Emerging Companies (CECs) in the petroleum industry, we have put in place measures for their inclusion in the industry value chain. I am pleased to report that in the year under review, work supporting increased participation of citizen companies in the sector was initiated. It is imperative to note that, for BOL to assist CECs to enter or participate in the oil industry, a framework with supporting policies must be established. This will help ensure that local companies have opportunity to participate and benefit across the oil industry value chain and thus help diversify the local economy. Furthermore, our strategy of empowering citizens will see an eventual listing of BOL on the Botswana Stock Exchange, offering up to 49 percent of its value to local investors.

Looking to the future, the MMEWR the Department of Energy (DoE) in conjunction with BOL, have developed a high-level Coal-to-Liquids (CTL) framework for Botswana. The framework is the first step to ensuring fuel-sufficiency for the nation.

CTL is an important undertaking that we are keen to exploit for Botswana to become a net exporter of fuels. In our aim to create a CTL industry, we engaged technical experts early on to help us determine the necessary instruments and guidelines on how we can realise its benefits. We also aim to use environmentally friendly technologies in order to ensure sustainability of this important industry development.

## CHAIRMAN'S REPORT CONTINUED

### APPRECIATION AND ACKNOWLEDGMENTS

First and foremost I would like to express my appreciation to His Excellency the President of Botswana, Lieutenant General Seretse Khama Ian Khama, who officially launched BOL on the 14th of October 2014. I further acknowledge and appreciate the former Vice President Dr. Ponatshego Kedikilwe and the Honourable Minister of Minerals, Energy and Water Resources, Onkokame Kitso Mokaila and other honoured guests who attended the occasion of the BOL launch. It was indeed a proud moment for Botswana's fledgling oil industry for BOL to be officially launched with such a fitting demonstration of the Government's commitment to the Company and its stakeholders.

I would also like to thank all those who were part of the BOL steering committee, which was formed in 2010. The committee included representatives from the Ministry of Finance and Development Planning, the Ministry of Minerals, Energy and Water Resources, the Ministry of Investment, Trade and Industry and the National Strategy Office.

The committee was key in making certain that BOL was set-up to become a successful national oil company and was instrumental in assisting with its strategy formulation. It was also critical in transforming BOL from a Special Purpose Vehicle into a fully-fledged company. I would also like to take this opportunity to acknowledge the contribution made by Deloitte, which was the consulting firm responsible for assisting the committee formulate the corporate strategy, which we are currently implementing.

I would also like to recognise the hard work and determination of my fellow Board Members who have provided strategic direction and guidance as well as oversight to the BOL Executive Management which has led to the positive results that we have today. I would also like to further appreciate the BOL Executive Management and staff for working tirelessly towards attaining the company's strategic objectives. The contribution of our implementing partners from the public and private sectors, who are located in Botswana and internationally, cannot be overemphasised as they have provided much needed support over this period.

### OUTLOOK

As the Chairman of the Board, I am confident that BOL is on the right course to achieving its mandate. The foundational work, which includes development of corporate policies, recruitment of key human capital, stakeholder engagement and forging of strategic alliances to take the company forward is progressing well. The Board is appreciative of the support received from the MMEWR, which will continue to assist us greatly in fulfilling the company mandate over the coming years.



**Dr. Joel Sentsho**  
Board Chairman





I am delighted to share with you BOL's first full year of operation, in a report that is also the first to be produced since we began operations. Looking back at the year 2014/15, I can confidently say that, we have been able to set up the foundation needed to support a relevant and competitive NOC for Botswana.

# CEO REMARKS

WILLIE MOKGATLHE



# CEO REMARKS

## OVERVIEW

BOL is a 100% government owned entity reporting to the MMEWR. The company was officially launched in October 2014 by His Excellency the President of the Republic of Botswana Lieutenant General Seretse Khama Ian Khama. During the launch, President Khama emphasised the significance of having an active state oil company in the local petroleum sector. Among others he stated that it was to secure petroleum supply to Botswana, manage strategic fuel reserves on behalf of the Government of Botswana and encourage meaningful participation of citizens in the petroleum industry.

## OPERATIONAL REVIEW

As of end of March 2015, we have been able to recruit the company founding staff who have been deployed across all strategic business units. As a newly established entity in the oil industry, it is imperative that we recruit the right staff to drive the company's profitability and sustainability, which is one of our key business objectives.

In the first year of operation, BOL managed to ensure steady supply of fuel with no supply disruptions to the country. With the knowledge that a seamless flow of petroleum and related products into the country is a key driver of the socioeconomic landscape, we endeavour to maintain efficient supply of product in future.

As a new state-owned company entering the local petroleum industry, it was imperative for us to engage with key stakeholders to share our mandate and create awareness about the company. We have so far engaged stakeholders including government departments, the media, District Councils and other interested parties in the private and public sectors. Further engagements will continue in the coming financial year. During the year under review, we moved into our new head office located at Petroleum House, Matante Mews at the Gaborone Central Business District (CDB). The location enables our customers and stakeholders easy access to our services.

As a state-owned company one of our core obligations, is to facilitate participation of citizen companies in the petroleum sector. During the year under review, we issued our first tender to a citizen-owned company. This was a great achievement for us, as it presented the company with the prospect to understand the petroleum industry value chain, which is complex in nature. It is our belief that this is the first of more companies to benefit from this platform. It is our sincere hope that, the Petroleum Products Supply Bill (PPSB), the National Energy Policy (NEP) and Botswana Energy Regulatory Authority Bill (BERA), which will regulate energy, will be passed by lawmakers as these bills are all important for our sustainability.

It is humbling to report that for the year ended March 2015, BOL managed to record a profit before tax of P8, 9 million. The reasonable profit was largely due to low product prices in the global market during the year under review. The profits were also due to the sale of cleaner fuels to Multi-National Companies (MNCs) in the domestic market. We have also invested funds in interest-bearing accounts, which appreciated during the period under review. The financial results for the past year are encouraging and we are optimistic that we will continue to post improved profits in the coming years. It must be emphasised that, we are a distinct state-owned entity, since we were established as per the Companies Act and therefore are to be a profit-making entity as we drive the industry transformation agenda, hence our continued drive to become profitable.

Moving forward, it is pleasing to report to our shareholder and stakeholders that, we have kicked off our initiatives of ensuring that fuel supply routes to the country are diversified. Before the establishment of BOL, most of our petroleum supply was coming through South Africa. During the year under review we managed to sign Memoranda of Understanding (MoUs) with our counterparts in the region. We have so far signed with the National Oil Companies of South Africa (PetroSA), Mozambique (PETROMOC) and Namibia (NAMCOR). Through the strategic alliances with these companies, we will be able to source product from the respective countries and be involved in joint procurement. In the medium term, we will engage with oil producing countries such as United Arab Emirates (UAE), Qatar and Nigeria, Ghana and Angola, with the aim to explore the possibility of direct procurement, which comes with numerous benefits.



## CEO REMARKS CONTINUED

We are pleased that work has commenced to develop the government storage reserve facility located at Tshele Hills near Rasesa Village, as this is a critical facility for the long term success of BOL and the nation. At project completion, a surface storage facility with a capacity of over 160 million litres will be constructed. To-date multiple tenders for the rail, road and associated works have been awarded, paving way for the construction of the storage facility. Tshele Hills will more than triple the country's fuel storage capacity. We envision this project taking place over a three year timeframe. Once the Tshele Hills facility is completed, government plans to decommission the Gaborone storage facility located on Haile Selassie Road. The equipment from that depot will be used for the construction of another storage facility intended to be located in Gantsi. The strategic location of the Gantsi depot will serve the Western part of the country. Currently, BOL manages the Gaborone and Francistown depots, which have the capacity to store 20 million and 35 million litres of petroleum products respectively.

Shareholders and stakeholders, it is worth noting that, BOL supports the government of Botswana's drive to ensure equitable and uninterrupted access of petroleum products in rural and urban centers. It is for this reason that the company will, in the medium term, embark on the establishment of Mobile Filling Stations (MFS). Through construction of MFS, the rural areas of Botswana where fuel access remains a challenge will be serviced.

BOL is working with Botswana Bureau of Standards (BOBS) to develop the standards for construction of the MFS and continues to engage the Department of Environmental Affairs (DEA) for monitoring the environmental impact of the proposed stations. The aim is to procure five MFS which will be used for a pilot programme before reviewing the findings and extending it nationally.

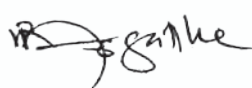
## LOOKING AHEAD

BOL is off to a good start despite the delayed regulatory framework required to facilitate its business model and recruiting key personnel with the requisite specialized skills supported by focused capacity building programs. Currently, there is a shortage of skills to service the petroleum industry in the local market.

On the operational side, there are more projects in the BOL pipeline. These include the expansion of the Francistown storage capacity by 30 million litres, which will increase the facility to 65 million litres. In addition, we aim to commence research to inform execution of the gas / coal to liquids project in future. As part of ensuring security of supply, we will also explore the possibility of constructing a pipeline from the neighboring countries into one of our depots.

## ACKNOWLEDGMENTS

Finally, I would like to thank the Government of Botswana for establishing this noble company. I also extend my appreciation for the support from the Board of Directors which established BOL and continued to provide strategic direction to the company. Our parent Ministry, MMEWR led by Honourable Onkokame Kitso Mokaila has given unwavering support through our key implementing partner, the Department of Energy (DoE). I cannot conclude without mentioning the hard work and dedication displayed by the BOL management and staff in the first full year of operation. Many thanks to all of you and I look forward to more years of operational success as we work jointly to ensure secure and efficient supply of petroleum products to Botswana.

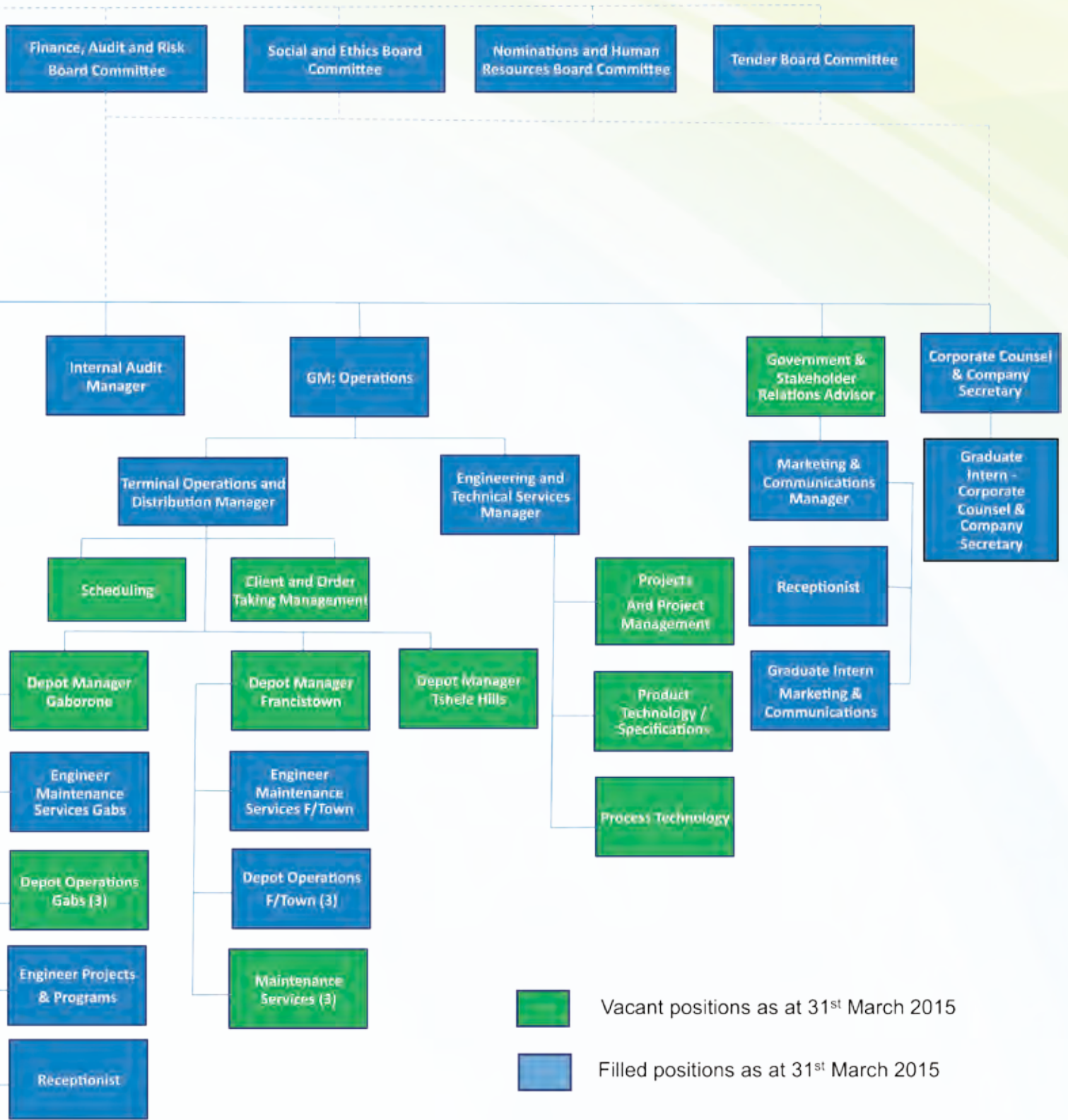


**Willie Mokgatlhe**  
Chief Executive Officer

# BOL ORGANOGRAM



**BOL ORGANOGRAM CONTINUED**



Filled positions as at 31<sup>st</sup> March 2015  
 Vacant positions as at 31<sup>st</sup> March 2015

# CORPORATE COUNSEL SERVICES

BOL supports the facilitation of meaningful participation of citizens in the petroleum business, and is the Government Agent for the achievement of the broader economic objectives within the Oil industry. With an aim to achieve these mandates BOL, provides its expertise on the Oil and Gas industries to assist legislators in formulating policy. As such BOL has achieved the following initiatives:

## APPOINTMENT OF BOARD OF DIRECTORS

BOL appointed the Board of Directors through the Public Enterprises Evaluation and Privatisation Agency (PEEPA). The appointments followed a public call through media advertisements placed in local newspapers.

## RECRUITMENT

The BOL staff compliment currently stands at 33. In order to fulfill its mandate BOL successfully recruited and engaged the following during the year under review;

- Mr. Meshack Tshekedi - GM - Corporate Policy, Strategy & Business Planning
- Mr. Karabo Kgoroba - Human Resource Officer
- Mr. Baleseng Kealeboga - GL & Fixed Assets Accountant
- Ms. Gosego Seema - Receptionist - Head Office
- Mr. Simon Mollentze - Administration Officer
- Mrs. Tumisang Mmopi - Accounts Payable Officer
- Mr. Mcdonald Zambo - Terminal Operator
- Mr. Boikhutso Moraka - Terminal Operator
- Mr. Mogati Goretetse - Terminal Operator

## NATIONAL ENERGY POLICY (NEP)

BOL was formally invited by the MMEWR to join the Technical Working Group that is mandated to finalise the NEP. The Task Team finalised its recommendations for submission to Cabinet in November 2014.

The NEP drafting process has reached an advanced stage. All participants have presented the Policy to their principals for further and final comments in preparation for presentation to the MMEWR.

## PETROLEUM PRODUCTS SUPPLY BILL (PPSB) AND GAS BILL

MMEWR, DoE and BOL drafted the Cabinet Memorandum (Cab Memo) requesting the approval to draft the PPSB. A Cab Memo for the drafting of the Gas Bill was also prepared with the anticipation that following the approval by Cabinet, the drafting of both Bills will commence in time to be presented to Parliament Session in the near future.

Following an update session with the Minister of MMEWR - Onkokame Kitso Mokaila, which took place on the 4th December 2014, the Cab Memo pertaining to the PPSB was amended to remove any reference to the BERA Bill to reflect that the MMEWR would be the industry Regulator. Discussions on the final structure continued into 2015.

## LEGAL COUNSEL

BOL Management has appointed an interim panel of external attorneys for the provision of legal services pending the appointment of a substantive panel. The panel was chosen from law firms which have provided legal services to BOL and those that have submitted their company profiles (unsolicited) expressing interest and willingness to provide services to BOL.

## CORPORATE COUNSEL SERVICES CONTINUED

An evaluation team was appointed to evaluate the proposals received from different law firms for the provision of legal services pertaining to the drafting of upcoming legislation on petroleum and gas as well as regulations. The evaluation team made a recommendation to BOL Executive Committee (EXCO).

Following evaluations several law firms were appointed and are rotated to ensure that the distribution of work is fair, equitable and transparent. BOL engaged the expertise of external attorneys to provide legal services support in the drafting of the PPSB and Gas Bills.

The following law firms were recommended and approved by the Management Tender Committee (MTC):

- |                                |                                    |                                    |
|--------------------------------|------------------------------------|------------------------------------|
| i. Malebeswa Matlakala         | ii. Rahim Khan                     | iii. Armstrongs                    |
| iv. Moribame Matthews          | v. Collins Newman & Co             | vi. Minchin & Kelly                |
| vii. Masire Legal Consultants  | viii. Motlhala Rabashwa Ketshabile | ix. Chibanda Makgalemele & Company |
| x. Salbany and Torto Attorneys |                                    |                                    |

## PENSION FUND

Non-Bank Financial Institutions Regulatory Authority (NBIFIRA) approved the Pension Fund Agreement which will enable BOL Pension contributions to be submitted to Alexander Forbes. In addition, all company insurances are in place and up to date.

## BANKING

BOL currently has accounts with 4 banks (Stanbic Bank, First National Bank, Barclays and BankABC). Management is in the process of opening an account with Standard Chartered Bank. BOL has also invested P20 million with African Alliance. Work is ongoing for the acquisition of corporate bank cards for Management.

## AUDITING

A draft of major finance policies has been developed and reviewed by BOL Management. The Shareholder approved the appointment of PriceWaterhouseCoopers as the company's external auditors for a period of 3 years. Targeted date of audit inception was the 22nd September 2014. Preparations for the audit were on track as most of the ground work had been done, e.g. draft financials are in place and an audit file working papers. There was however a request for a further 3 months extension, to submit Income Tax Returns to ensure finalisation of the external audit and also get clarity on the BOL tax status.

## FINANCING INSTRUMENTS

BOL acquired a Letter of Credit (LC) Facility with Stanbic Bank. BOL has a \$ 10 million LC facility with Stanbic Bank at a cost of 0.1%. This facility expired end of February 2015. When the LC was renewed, the limit was increase from \$ 10 million to \$ 15 million since this facility was depleted while there was still need to procure more product.

## STAFF LOAN

The MTC reviewed and approved that the tender for Staff Loan Scheme be awarded to First National Bank. BOL is not expected to guarantee the loan, but is expected to deduct from employee salaries and remit to the bank. The loan scheme was launched on 30th January 2015.

# HUMAN RESOURCES REPORT

The Human Resources (HR) department focuses on development of the company's most valuable asset, its employees. HR does this through recruitment and retention of a diverse and qualified workforce. The department provides HR related advice; direction and technical assistance; learning and development frameworks; payroll administration and employee relation services to the company.

## HUMAN CAPITAL

People are the foundation of our business and underpin the company's success. Our people directly influence the performance of the organisation and are therefore critical in achieving the BOL strategic objectives. HR works to develop talented, motivated and driven individuals to support the continued performance of the BOL operations.

It is the company's objective to provide a conducive working environment which instills a sense of purpose and achievement. BOL intends to focus on managing staff morale and retention through robust compensation techniques as well as efficient talent management, these efforts will continue into year 2015 / 2016. The HR function aims to position itself as a strategic enabler for driving organisational transformation and performance management.

## EMPLOYEE WELLNESS

During the reporting period, BOL continued implementation of the company's wellness initiatives which have become an integral part of the business calendar. The company will continue to host Wellness Days to help employees appreciate that their maintaining optimum health impacts positively on organisational performance. Through these events, health education and other health related services will be presented to employees.

## HUMAN RESOURCES MANAGEMENT

Since inception BOL has had two cycles of employment periods commencing in February 2014 with the second period commencing in May 2014. 100% of staff were confirmed from the first group recruited. The levels of confirmations demonstrated good selection principles and will add to the sustainability and stability of the company going forward.

As part of the drive to build skills within the organisation and to synchronise staff competencies with the demands of the oil industry, specific training programmes were concluded during the year under review. The highlight was a benchmarking exercise conducted at PetroSA. This was part of the capacity building plan for new staff.

Staff performance contracts were finalised following the conclusion of the Corporate Strategy and the resultant corporate score card. Staff performance contracts were aligned with expected performance to the corporate scorecard through top-down cascading. A Bonus Policy was also instituted as a key tool to be used as part of the performance management process.

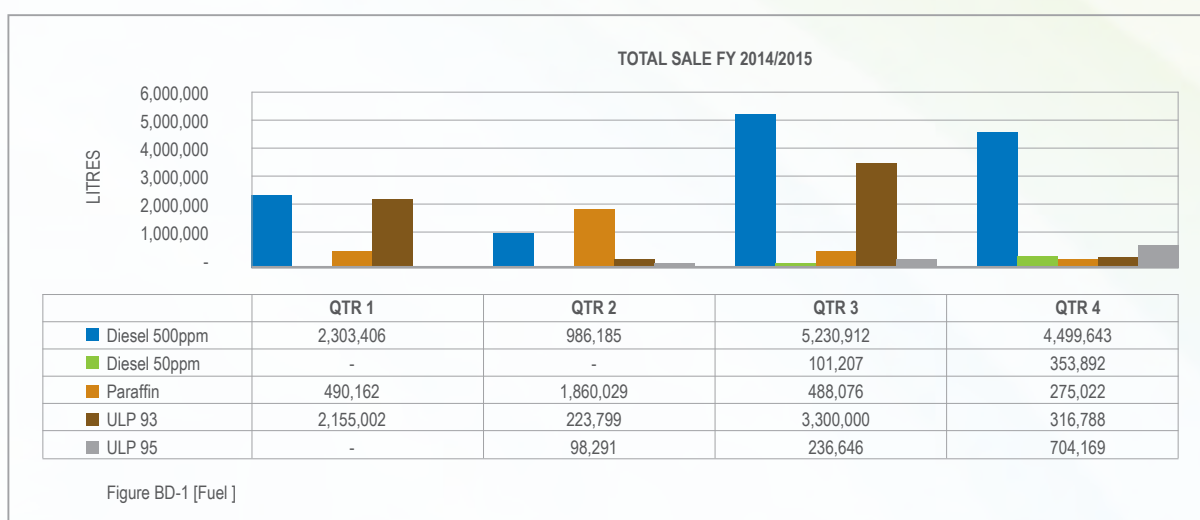
The following legislative and Insurance/Assurance that are required as per the Labour Law of Botswana have been implemented;

- i) Worker's Compensation and Accidental Death cover;
- ii) Group Life Assurance and Disability cover;
- iii) Conclusion of Pension Fund Agreement;

The company also secured Travel Insurance.

# SALES PERFORMANCE

The company traded in petroleum products only throughout the financial year 2014 - 15 as shown in Figure BD-1 below. 83% of the total sales volume is attributed to International Oil Companies (IOCs) while 14% constitutes CEC. The balance of 3% relates to sales to one commercial consumer, being the Office of the President. Commercial consumers are end users that procure to consume bulk petroleum products. As part of BOL's mandate, the company manages Government owned strategic reserve tanks, thereby improving supply turnaround/lead times for Oil Marketing Companies (OMCs). Our presence creates convenience and efficiency within the Oil Industry value chain by ensuring availability of fuel whenever OMCs encounter supply disruptions. No fuel disruptions experienced in the country during the financial year as BOL continued to provide back up supplies to OMCs.



Notable contributions to the efficiency of supply of fuel in the country include:

- The supply of diesel to one OMC for delivery to the national backup power generators during downtime at the main power station (Morupule);
- The continued growth in fuel supply outreach due to the emergence of citizen companies and
- The supply of fuel to major OMCs in the northern part of the country during disruptions in the supply of fuel from South Africa as a result of closure of the Martins Drift boarder due to floods.

Several stakeholder engagement events have been carried out to inform, not only Botswana based OMCs, but all fuel traders, financing houses and relevant government entities about BOL's mandate and its envisaged strategy. Of notable importance is that BOL's current business model is to position the company at a supply level within the value chain thereby supporting OMCs in their pursuit to meet market demand.

The BOL strategy is aligned to the National Oil & Gas Sector Strategy in ensuring the sustainability and efficiency of the industry while maximising value for the company.

## SALES PERFORMANCE CONTINUED

### BOL STRATEGIC PARTNERSHIPS

BOL will continue to form strategic partnerships in the Oil and Gas Industry in an effort to form synergies within the industry. It is BOL's strategic intent to form partnerships which will enable the organisation to meet its intended mandate. There are a number of benefits which will be derived from such partnerships, which include but are not limited to the following;

- Enabling BOL to build internal capacity through seconding of staff members, sharing learnings from experienced organisations in the industry;
- Partnerships for potentially sharing infrastructure investments, such as coastal and inland storage facilities, refineries, manufacturing (CTL, UCG, lubricants etc.) and exploration;
- Joint procurement to take advantage of volume and economies of scale for competitive price and
- Crude procurement and regional product exchanges.

BOL has signed Corporation Agreements and Memoranda of Understanding (MOU) with organisations in the region such as NamCor (Namibia), PetroMoc (Mozambique), PetroSA (South Africa), Transnet Pipelines etc. The company continues to engage with other oil producing countries and companies around the world in Africa, Middle East and Asia.

### CITIZEN EMERGING COMPANIES

BOL has developed a strategy to facilitate citizen companies in order to encourage the development of Citizen Emerging Companies in the country. The aim is to ensure an increase in the number of CECs that are active in the marketing and distribution of petroleum products not only in the local market but for export into the Southern African region. As fuel demand continues to grow and IOC priorities/strategies continue to change, it is becoming increasingly important to encourage multiple players in the petroleum sector.

The company saw growth in the number of active CECs during the financial year due to the convenience and efficiency BOL affords all OMCs.

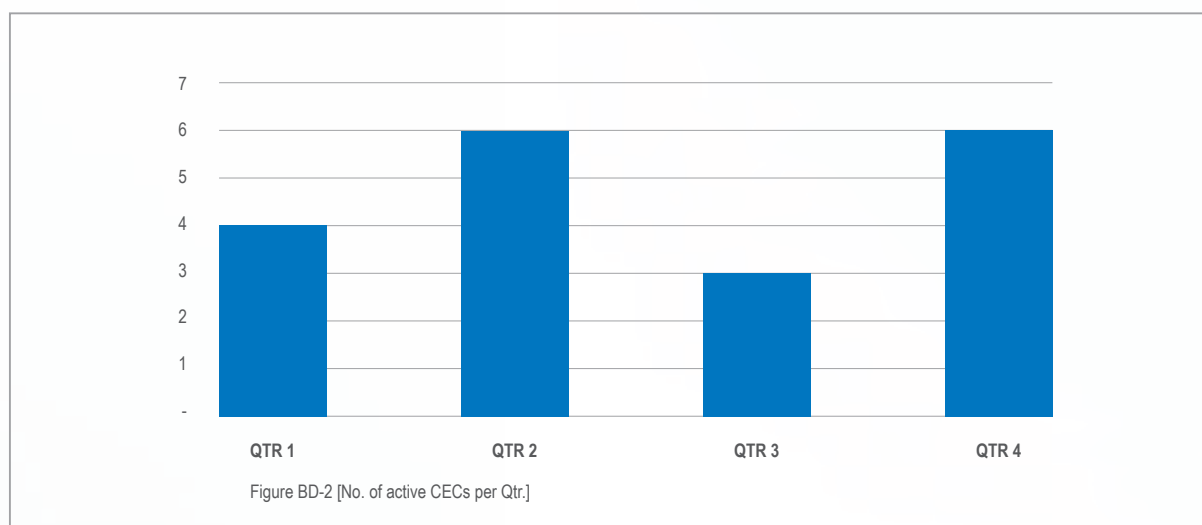


Figure BD-2 above shows the number of CECs that were active in the year:



## SALES PERFORMANCE CONTINUED

BOL creates an enabling environment for CECs to compete meaningfully against IOCs in the industry within the confines of the Competition Authority regulations. BOL offers similar prices to both IOCs and CECs and further rents out storage facilities to CECs to remove any barriers to entry and to level the playing field.

Compliance to set industry regulations and best practice remain BOL's priority, particularly regarding pricing, product quality and its handling during transportation and at storage depots. The company will continue to engage CECs in order to promote alignment to regulations and industry best practice through implementation of its Stakeholder Engagement and Customer Relationship Management strategies.

## MOBILE FILLING STATIONS

BOL plans to establish at least five (5) mobile filling stations in remote locations across the country as a pilot project. The initiative is in support of the company's mandate to ensure efficient and equitable distribution of petroleum products in Botswana. This initiative would be limited to rural areas and would ensure access to petroleum products. BOL will not be active in retail and commercial. Key success factors for the initiative will include:

- approval of MFS standards by Botswana Bureau of Standards (BOBS) to ensure safety and environmental protection;
- fair distribution of mobile filling stations across the country following the pilot period;
- minimal competition impact against existing fuel retail establishments;
- low development cost of the stations;
- employment creation within the selected remote villages and their surrounding areas;
- engagement of citizen entities in the management of the MFS;
- involvement of citizen companies in the supply and installation of MFS units for BOL;
- ensuring, accessibility and availability of petroleum products and other services at all times at MFS and
- a positive Return on Investment (ROI).

The company undertakes to complete the development of all 5 MFS within the FY 2016 - 17 as a pilot project, where after the MMWER and BOL will jointly review the output of the project.

# OPERATIONS REPORT



## TSHELE HILLS DEPOT

The Tshele Hills depot construction project is being managed by MMEWR. On completion, the fuel storage facility will be handed over to BOL for management.

Adjudications for Bulk Earth Works, Access Road and Rail Overhead Bridge tenders for Tshele Hills were completed and recommendations submitted to MMEWR Tender Committee and PPADB accordingly. The Access Road and Rail Overhead Bridge tender was awarded and the contractor commenced construction. Project overall engineering concepts designs were completed and a Level 1 Hazard and Operability Study (HAZOP) was carried out. The HAZOP identifies and remedies any major hazards around the designs to be able to rectify these while still at design phase.

BOL continues to engage the DoE regarding the project risks and plays an advisory role on the design of Tshele Hills depot project. Further to this, BOL has approved the depot operating philosophy in line with the anticipated operation requirements and has guided, and approved the depot controls strategy as well as assured alignment with the company's future Information Communications Technology (ICT) Strategy.

Tshele Hills project has been divided into the following key components in order to allow for concurrent execution of activities:

- Bulk Earthworks
- Building and Housing
- Roads and Services and
- Tank Installation

## GABORONE DEPOT GANTRY CONSTRUCTION

During the year under review, construction of the Gaborone depot loading and offloading gantry commenced. It is expected to be completed in 6 months with civil, electrical and mechanical activities being at an advanced stage.

The project is on schedule and anticipated to be completed within the stipulated time and budget. The final draft Environmental Management Plan (EMP) report has been submitted to the Department of Environmental Affairs (DEA) for review and subsequent approval. The detailed designs for the construction of the gantry have been completed and the process for procuring contractors has started.



## OPERATIONAL REPORT CONTINUED

The Environmental Management Plan (EMP) for the construction of the gantry has been approved by the Department of Environmental Affairs (DEA). In addressing concerns raised in the EMP, BOL aims to construct a Truck Staging centre in future to service customers loading product at the gantry. Land earmarked for the centre has been allocated by the Ministry of Lands and Housing through MMWER. Funds are to be sourced for development of the centre.

### DEPOT MANAGEMENT

BOL has outsourced management of the Gaborone and Francistown depots to Puma and Vivo Energy respectively and is in constant contact with the two entities to address operations and management of the sites. There are future plans for BOL to takeover full management of the depots.

### TANK MAINTENANCE

BOL carried out major repairs on Tank F9, which is located at the Francistown depot. Replacement of seals for Tank F6 and internal floating seals for tank F9 was also carried out. A contractor was engaged for the repair of depressions on the floor plate and insertion of a stiffening ring for Tank G1 at the Gaborone depot. In addition, engineering design works were completed for the conversion of paraffin Tank G6 to diesel 50 ppm.

### GOVERNMENT STRATEGIC STOCK

The table below outlines the reconciliations for Government Reserve Stock for the period April 2014 - March 2015.

YTD Government Strategic Stock Recon			
	PETROL	DIESEL	TOTAL
Opening stock (As at 1st April, 2014)	17,479,290	18,582,677	36,061,967
Receipts	3,483,716	10,985,152	14,468,868
Accumulated sales	5,995,590	13,020,045	19,015,635
Closing stock (As at 31st March, 2015)	14,967,416	16,547,784	31,515,200
Replenishment of loan stock	-	3,032,926	3,032,926
GRS stock balance (As at 31st March, 2015)	-	-	31,588,926

Table: Government Reserve Stock Reconciliations April 2014 - March 2015.

# HEALTH SAFETY SECURITY ENVIRONMENT



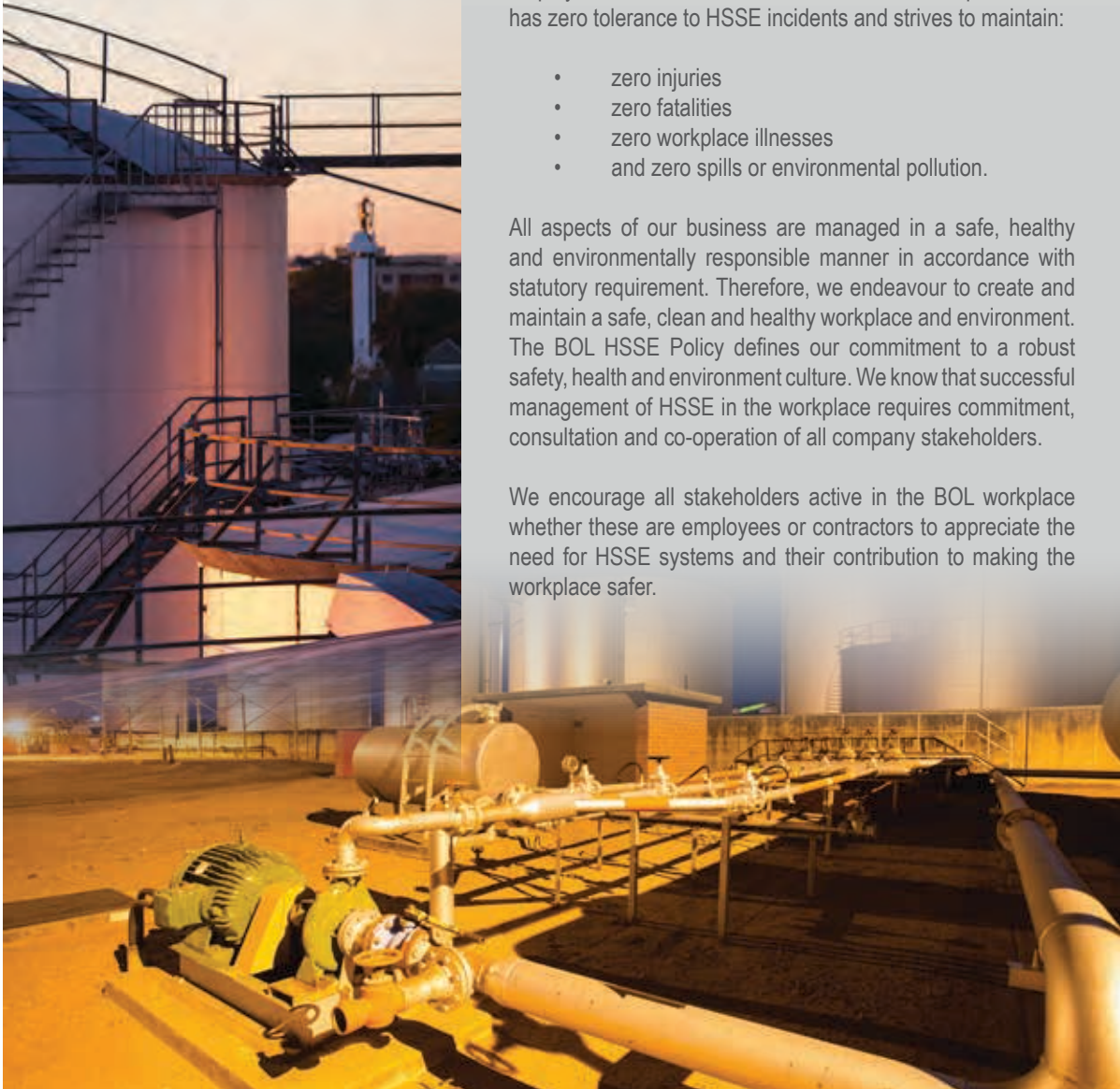
At BOL Health, Safety, Security and Environment (HSSE) is our top priority.

This is in recognition of its importance to our business, partners, employees and the communities within which we operate. BOL has zero tolerance to HSSE incidents and strives to maintain:

- zero injuries
- zero fatalities
- zero workplace illnesses
- and zero spills or environmental pollution.

All aspects of our business are managed in a safe, healthy and environmentally responsible manner in accordance with statutory requirement. Therefore, we endeavour to create and maintain a safe, clean and healthy workplace and environment. The BOL HSSE Policy defines our commitment to a robust safety, health and environment culture. We know that successful management of HSSE in the workplace requires commitment, consultation and co-operation of all company stakeholders.

We encourage all stakeholders active in the BOL workplace whether these are employees or contractors to appreciate the need for HSSE systems and their contribution to making the workplace safer.



## HEALTH SAFETY SECURITY ENVIRONMENT CONTINUED

The BOL HSSE Policy is important as it:

- Demonstrates that BOL meets its safety, health and environmental obligations and is committed to working within set HSSE principles;
- Defines BOL roles and responsibilities and confirms that safe systems of work are recorded, communicated to employees and implemented in a consistent way throughout the business;
- Guides the business to manage employees more effectively by defining acceptable and unacceptable behaviour in the workplace.

In its effort to meet the above commitment, during the reporting period BOL achieved the following:

1. The HSSE policy was approved by the Board of Directors and communicated to BOL employees. The policy was reproduced and displayed at all BOL operations.
2. HSSE Key Performance Indicators (KPIs) were set for the company and monthly reporting of these commenced. KPIs included:
  - No. of days without a Lost Time Injury (LTI): The sum of injuries resulting in a fatality or lost workday case. Lost Workday occurs when the injured or ill employee experiences days away from work beyond the day of injury or onset of illness, or days away are prescribed by a physician or licensed health care practitioner.
  - No. of recordable cases: Total injuries resulting in a fatality, lost workday case, restricted work case or medical treatment case.
  - No. of spills (tonnes): Mass and number of hydrocarbon liquid spills greater than 100 kg that reach the environment.
  - No. of potential incidents reported: Unsafe act or conditions that could cause harm to people, assets and the environment.
3. HSSE Training was conducted for key personnel as follows:
  - 2 Engineers were trained on issuance of Permit to Work
  - Defensive Driving Training: The training was completed on the 30th and 31st of October 2014
  - First Aid training
  - Fire Fighting techniques
4. A benchmarking exercise was carried out with the National Oil Company of South Africa - PetroSA.
5. The Health Safety Security Environment and Quality (HSSEQ) Management System (MS) tender was awarded to consultancy firm ERM for the development of the HSSE Management System. The purpose of the HSSEQ MS or framework, is to manage and implement HSSEQ in the organisation. The framework will aid BOL to effectively address and manage safety, health, environment and quality issues in line with statutory requirements, oil and gas industry practice as well as national and international standards. The HSSEQ MS is intended to meet the requirements to qualify for accreditation to the national and international standards that include but are not limited to:
  - OHSAS 18001;
  - ISO 14001;
  - ISO 9001;
  - Process safety management;
  - Responsible care and
  - Any other applicable standards as may be proposed in future.
6. BOL formally appointed the company Doctor - Dr. David Mafoko of Marymont Clinic to assist with company medical surveillance and support the business during emergencies.
7. BOL participated in the World Aids Day commemoration 2014 and joined other organisations, civil society and the public for the Gaborone AIDS Day Walk held at Tsholofelo Park.

## HEALTH, SAFETY, SECURITY AND ENVIRONMENT POLICY



Botswana Oil limited (BOL) is fully committed to the protection of the Health, Safety, Security and Environment (HSSE) of its Board of Directors, employees, contractors, sub-contractors and the communities in which it operates.

In order to demonstrate this commitment and achieve HSSE we will:

1. Demonstrate Leadership in Health, Safety, Security and Environmental protection and pursue business with integrity.
2. Achieve an incident and injury-free workplace with adequate facilities and appropriate protective equipment.
3. Promote a healthy workforce and mitigate significant workplace health risks.
4. Identify and mitigate environmental and process safety risks.
5. Efficiently use natural resources and assets.
6. Protect personnel, property, information and reputation against security threats.
7. Operate with industry-leading asset integrity and reliability.
8. Comply with all applicable HSSE Legal and other requirements related to our business activities, products and services.
9. Have a timeous and efficient Emergency and Crisis Management system in place for all our operations.
10. Set a sound HSSE management system with objectives and targets to report and review HSSE performance.

The Board, management and all employees working at Botswana Oil Limited share this responsibility and are committed to the success of this HSSE Policy.

A handwritten signature in black ink, appearing to read 'W. Mokgathe'.

Willie Mokgathe  
Chief Executive

A handwritten signature in black ink, appearing to read 'Dr. Joel Sentsho'.

Dr. Joel Sentsho  
Officer Board Chairperson



**BOTSWANA OIL**  
Your Fuel. Your Future

# INFORMATION COMMUNICATION TECHNOLOGY

BOL is dependent on information and systems that deliver its mandates successfully. It is thus critical that Information Communication Technology (ICT) and associated risks are effectively governed and managed. Further, there are regulatory, fiduciary responsibilities requiring strict control over information and supporting technology.

Following the development of a corporate strategy and scorecard, a process-driven approach of ICT governance was deemed best suited for BOL. An aligned ICT strategy and an implementation roadmap were developed to define projects that include but are not limited to:

- Implementation of ICT governance framework;
- Procurement of ICT systems (including Enterprise Resource Planning) and
- Development of a Business Continuity Plan.

Work on the process of developing an ICT strategy roadmap was completed by end of June 2014.

## ICT DEPARTMENT MILESTONES

During the year under review the ICT department achieved the following milestones:

- Setting up company communications infrastructure, including Head Office infrastructure and outsourced contracts to support ICT operations;
- Automating Finance processes through Quick-Books upgrade;
- Applying BOL-branded email signatures for all staff and setting up of the BOL website landing page.
- Use of the full features of Office 365: All BOL staff, including graduate interns and contractors have access to the full features of Office 365. This arrangement saved BOL on licensing costs for Microsoft Office suite.
- The department also deployed SharePoint a collaboration, file sharing, storage and backup solution.
- Laptops, Microsoft© software and the ICT set up for Francistown Depot were completed;
- Multi-Function Printers were installed with setup of a colour printer at the Gaborone Depot and PaperCut print management software was installed and
- Selective tendering to bid for the ICT Strategy and Business Processes development was approved by the Management Tender Committee. BOL received 6 bids in response to the ICT Strategy & Business Processes tender and Adapt ICT - South Africa, was awarded the tender.



# SUPPLY AND MANUFACTURING

## SUPPLY AND MANUFACTURING PROJECTS

The Supply and Manufacturing department, working in conjunction with the Operations department and assembled a project team to ensure BOL's operational readiness to execute a supply strategy which supports execution of the Petroleum Products Supply Bill (PPSB). Enactment of the Bill will define the BOL business model. It is anticipated that implementation of the Petroleum Products Supply Act will significantly increase BOL's trading volumes, enabling the country to enjoy economies of scale.

Further to this, the project team is responsible for ensuring the organisation's capacity to takeover full operation of the Gaborone and Francistown depots through identifying associated risks and mitigation.

## STRATEGIC ALLIANCES

BOL has forged strategic alliances to enable diversification of petroleum supply routes and improve security and efficiency of supply of petroleum products to Botswana. Alliances formed include those with the NOC of Mozambique, Namibia and South Africa. Negotiations continue with oil producing countries including Kuwait, Ghana, United Arab Emirates (UAE), India, Angola and Nigeria.

BOL will continue to expand the cooperation agreements signed with implementing partners, this includes agreements with rail and road transport operators, DoE across the region and companies that can offer BOL coastal storage facilities.

## DEVELOPMENT OF THE ALTERNATIVE ROUTES

To ensure security of supply of petroleum products, BOL plans to develop alternative routes and sources of petroleum products with the aim to reduce reliance on Republic of South Africa (RSA) as the main source of products. BOL sourced 1.3 million litres of diesel from PetroMoc as replenishment of government reserve stocks. The Mozambique corridor is being developed as an alternative supply route and presents BOL with the opportunity to identify associated supply risks. Various supply sources in Namibia are being explored in order to meet the 8% demand in the western part of the country.

## BOL SUPPLY STRATEGY AND CEC CAPACITY BUILDING

During the period under review, BOL awarded a supply tender of 5 million litres of diesel to a citizen company - Heritage Contractors. The contract specified the Mozambique Corridor (Mozambique via Zimbabwe to Francistown) as the preferred route in order to further cultivate route diversification. BOL intends to continue to develop CEC capacity through incorporating citizen companies to source petroleum products through various routes.

# MARKETING COMMUNICATIONS



His Excellency, the President of the Republic of Botswana, Sir Seretse Khama Ian Khama launched BOL in Gaborone on the 14th of October 2014.

## THE OFFICIAL LAUNCH OF BOL

The event was attended by Minister of MMEWR, Kitso Mokaila, Cabinet Ministers, Members of Parliament (MPs), captains of the industry, the media and other key stakeholders. Speaking at the launch, President Khama said, as a landlocked country Botswana is supposed to ensure a flawless flow of petroleum products. He highlighted that the two diamond mines of Orapa and Jwaneng consume about 1.3 million litres of diesel per month, adding that the emergency power supplies in Orapa comprising of two 45 MW open cycle gas turbines consume an average of 22,000 litres of diesel per hour at full capacity. The President pointed out that petroleum products are important inputs to the country's mineral production and power generation.

BOL has registered a trademark to protect the Company's visual identity i.e. the company brand logo. The trade mark registration enables BOL to protect and govern the use of the logo across various platforms.

A project to construct the BOL website was executed jointly by the Information, Communication and Technology (ICT) and Marketing and Communications departments.

BOL has secured the services of a local advertising agency to support BOL Marketing and Communications function. During the period under review (2014/15), a brand rollout plan was executed. The plan encompassed initiatives implemented in order to create market presence and recognition of the BOL brand.

## CRISIS MANAGEMENT PLAN

The BOL Crisis Management Plan has been developed and outlines the crisis management framework for the company. This ensures preparedness of the organisations in cases of crisis and management of the media during crises periods. Business Continuity Plan has been prepared to ensure swift business recovery during crisis or emergency.

## BRAND MANAGEMENT

During the year under review, corporate branding activities were rolled out and will continue in the coming year. A corporate video and other marketing material were also developed. All brand materials were used during the official launch of the company. Furthermore, branded collateral was sourced for internal and external use. These include the BOL company profile, brand manual, business cards, folders, gazebos, banners etc.



## MARKETING COMMUNICATIONS CONTINUED

The Ministry of Foreign Affairs and International Corporation provided Protocol and Etiquette training to BOL employees in order to enhance staff understanding of the importance of abiding to protocol.

## MARKETING

BOL sponsored the following initiatives, through which a total of 400 people were exposed to various elements of the company brand. This includes sponsorship of the;

- (i) Botswana Renewable Energy Conference which was executed by the MMEWR.

The corporate sponsorship policy has been developed and is to be approved by the Social and Ethics Board Committee.

Media coverage of company activities was received across various platforms including social media, radio, television and print (newspapers, magazines, profiles of Botswana). Notably, interviews were conducted with the Chief Executive Officer and Marketing and Communications Manager by Gabz FM and RB2 on the company mandate, strategic intent, the MFS project and the changing dynamics of the petroleum industry.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Social responsibility is one of our core values. BOL was actively involved in activities that would ensure the delivery of this value. Botswana Oil Limited employees supported the call to raise funds for a 14-year-old Motswana girl, Abian Ntshabele who is suffering from a rare form of ovarian cancer, known as Immature Teratoma. The funds were handed over to Abian Ntshabele's representatives on 3rd February 2015.



- (i) BOL was also involved in Time Adventure Challenge with Time Projects as the strategic partner.
- (ii) Execution of a Vision 2016 Project: In partnership with the MMEWR, BOL contributed to renovating a VDC guest house in Malwelwe.

## STAKEHOLDER MANAGEMENT

In an effort to foster strategic alliances and create awareness about the BOL mandate, BOL engaged various stakeholders including National Strategy Office, Botswana Investment and Trade Centre, Botswana Railways, Botswana Unified Revenue Service, Public Procurement and Asset Disposal Board and Botswana Innovation Hub.

# TABLE OF CONTENTS

BOL FINANCIAL STATEMENTS



GENERAL INFORMATION	46
STATEMENT OF DIRECTORS' RESPONSIBILITY	47
INDEPENDENT AUDITOR'S REPORT	48
STATEMENTS OF COMPREHENSIVE INCOME	49
STATEMENTS OF FINANCIAL POSITION	50
STATEMENTS OF CHANGES IN EQUITY	51
STATEMENTS OF CASH FLOWS	52
NOTES TO THE FINANCIAL STATEMENTS	53
DETAILED STATEMENT OF COMPREHENSIVE INCOME	73



## REGISTRATION NUMBER

C02011/10626

## NATURE OF BUSINESS

BOL serves as the Government of Botswana's transformation agent and is mandated to ensure security and efficiency of supply of petroleum products for Botswana, Manage state-owned strategic fuel reserve facilities, strategic stocks as well as bulk storage and distribution, facilitate participation of citizen emerging companies in the petroleum sector.

## DIRECTORS

Joel Sentsho	(Date of appointment: 27.02.2013)
Reetsang Willie Mokgathe	(Date of appointment: 22.08.2013)
Golekanye Rabasha	(Date of appointment: 27.02.2013)
Stephen Kagiso K Kebakile	(Date of appointment: 27.02.2013)
Kenneth Kerekang	(Date of appointment: 01.02.2015)
Batsho Dambe Groth	(Date of appointment: 01.02.2015)
Mbako Mbo	(Date of appointment: 01.02.2015)
Ogomotitse Maruapula	(Date of appointment: 01.02.2015)
Kgomotso Abi	(Date of resignation: 01.02.2015)

## REGISTERED OFFICE

Plot 54373  
Petroleum House  
Matante Mews  
Central Business District  
Gaborone, Botswana

## COMPANY SECRETARY

Desert Secretarial Services (Pty) Ltd  
Plot 64518  
Fairgrounds Office Park  
Gaborone, Botswana

## AUDITORS

PricewaterhouseCoopers  
Plot 50371  
Fairground Office Park  
Gaborone, Botswana

## BANKERS

Stanbic Bank of Botswana  
BancABC  
Standard Chartered Bank Botswana  
Barclays Bank of Botswana  
First National Bank Botswana

(The financial statements are expressed in Pula, the currency of Botswana)

# STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR THE YEAR END 31 MARCH 2015

The Directors of BOL are responsible for the financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards.

The company maintains systems of internal controls, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of company assets. The Directors are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the Directors to indicate that any significant breakdown in the functioning of these systems has occurred during the period under review.

The going concern basis has been adopted in preparing the annual financial statements. The Directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The annual financial statements set out on pages 49 to 74 were authorised for issue by the Board of Directors and are signed on its behalf by.



Chief Executive Officer  
Mr. Willie Mokgathe



Director  
Dr. Joel Sentsho

8 December 2015



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOTSWANA OIL LIMITED

We have audited the financial statements of BOL, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 49 to 74.

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

In our opinion, the financial statements give a true and fair view of, the financial position of BOL as of 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Individual practicing member: Rudi Binedell  
Membership number: 20040091

Gaborone  
8 December 2015

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PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana  
T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw

Country Senior Partner: B D Phirie  
Partners: R Binedell, R P De Silva, A S Edirisinghe, S K K Wijesena



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 P	2014 P
Revenue	1	159,129,331	38,801,728
Cost of sales		(130,263,330)	(36,735,148)
<b>Gross profit</b>		<b>28,866,001</b>	<b>2,066,580</b>
Other operating income	2	5,395,921	602,132
Administrative expenses		(27,301,965)	(7,839,369)
<b>Profit/(loss) from Operations</b>	<b>3</b>	<b>6,959,957</b>	<b>(5,170,657)</b>
Finance income	4	2,883,388	1,738
Finance cost	4	(10,768)	(714,974)
<b>Profit/(loss) before income tax expense</b>		<b>9,832,577</b>	<b>(5,883,893)</b>
Income tax expense	5	(950,676)	-
<b>Profit/(loss) after income tax expense</b>		<b>8,881,901</b>	<b>(5,883,893)</b>

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Note	2015 P	2014 P
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant & equipment	6	6,181,450	5,588,493
<b>Current Assets</b>			
Inventories	8	-	1,945,753
Trade and other receivables	9	15,372,663	31,176,777
Cash and bank balances	10	164,971,250	35,224,668
		180,343,913	68,347,198
<b>Total Assets</b>		<b>186,525,363</b>	<b>73,935,691</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated capital	11	1	1
Retained earnings		2,998,008	(5,883,893)
		<b>2,998,009</b>	<b>(5,883,892)</b>
<b>Non Current Liabilities</b>			
Deferred tax liabilities	7	950,676	-
<b>Current Liabilities</b>			
Shareholder's loan	12	131,764,169	47,592,254
Government advance procurement loan	13	19,909,676	15,780,140
Trade and other payables	14	30,902,833	16,447,189
		<b>182,576,678</b>	<b>79,819,583</b>
<b>Total Liabilities</b>		<b>183,527,354</b>	<b>79,819,583</b>
<b>Total Equity and Liabilities</b>		<b>186,525,363</b>	<b>73,935,691</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Stated Capital P	Retained earnings P	Total Equity P
Balance as at 1 April 2013	-	-	-
Issue of shares	1	-	1
Loss for the year	-	(5,883,893)	(5,883,893)
Other comprehensive income	-	-	-
Total comprehensive income for the year	1	(5,883,893)	(5,883,892)
<b>Balance at 31 March 2014</b>	<b>1</b>	<b>(5,883,893)</b>	<b>(5,883,892)</b>
Balance as at 1 April 2014	1	(5,883,893)	(5,883,892)
Profit for the year	-	8,881,901	8,881,901
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	8,881,901	8,881,901
<b>Balance at 31 March 2015</b>	<b>1</b>	<b>2,998,008</b>	<b>2,998,009</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 P	2014 P
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before Income tax expense		9,832,577	(5,883,893)
<b>Adjustments for:</b>			
Depreciation	6	1,272,274	34,901
Product loan - drawn from Government reserves	12	84,171,915	35,592,254
Interest income	4	(2,883,388)	(1,738)
<b>Cash flows before working capital changes</b>		<b>92,393,378</b>	<b>29,741,524</b>
Inventories	8	1,945,753	(1,945,753)
Trade and other receivables	9	15,804,114	(31,176,777)
Trade and other payables	14	14,455,644	16,447,189
<b>Cash generated from operations</b>		<b>124,598,889</b>	<b>13,066,183</b>
<b>Net cash generated from operating activities</b>		<b>124,598,889</b>	<b>13,066,183</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant & equipment	6	(1,865,231)	(5,623,394)
Interest received	4	2,883,388	1,738
<b>Net cash generated from/(utilised in) investing activities</b>		<b>1,018,157</b>	<b>(5,621,656)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Government advance received	13	4,129,536	15,780,140
Shareholder loans received	12	-	12,000,000
Issue of shares	11	-	1
<b>Net cash generated from financing activities</b>		<b>4,129,536</b>	<b>27,780,141</b>
<b>Net Increase in cash and cash equivalents</b>		<b>129,746,582</b>	<b>35,224,668</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>35,224,668</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>164,971,250</b>	<b>35,224,668</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1 GENERAL

BOL is a company incorporated in the Republic of Botswana. The address of its registered office and principal place of business is disclosed in the corporate information section of the financial statement. The company operates as a wholesale distributor of petroleum products in Botswana.

The company's financial statements were authorised for issue by the Board of Directors.

### 2 BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention and on a going concern basis. The principal accounting policies applied in the preparation of the company financial statements are set out below. These policies have been consistently applied in the last year, unless otherwise stated.

The financial statements are presented in Botswana Pula, which is the company's functional and presentation currency.

## CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

- (a) International Financial Reporting Standards and amendments effective for the first time for 31 March 2015 year-end

Number	Executive summary	Effective date
Amendments to IAS 32 - 'Financial Instruments: Presentation', on financial instruments asset and liability offsetting	The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP.	1 January 2014
IASB issues narrow scope amendments to IAS 36, 'Impairment of assets' on recoverable amount disclosures	The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.	1 January 2014

None of the above amendments significantly impact the entity.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES CONTINUED

- (b) International Financial Reporting Standards and amendments issued but not effective for 31 March 2015 year-end and not early adopted by the entity.

Number	Executive summary	Effective date
Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.	1 January 2016
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation.	In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The amendment is not expected to impact the entity.	1 January 2016

- (c) Improvements to IFRSs (Issued Dec 2013) was issued by the IASB as part of the 'annual improvements process' resulting in the following amendments to standards issued, but not effective for 31 March 2015 year-ends:

Number	Executive summary	Effective date
Amendment to IFRS 13, 'Fair value measurement'	When IFRS 13 was published, paragraphs 85.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.	1 July 2014
IAS 24, 'Related party disclosures'	The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity')	1 July 2014

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

##### CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES CONTINUED

- (d) The IASB published the final standard for the 2011 - 2013 cycle of the annual improvements with amendments that affected 4 standards issued, but not effective for the first time for 31 March 2015 year-ends:

Number	Executive summary	Effective date
Amendment to IFRS 13, 'Fair value measurement'	The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.	1 July 2014

#### FOREIGN CURRENCY TRANSLATION

##### (a) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the company's functional and presentation currency.

##### (b) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within "Other operating income" on a net basis.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income.

#### PROPERTY, PLANT AND EQUIPMENT

Property Plant & Equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at costs less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### PROPERTY, PLANT AND EQUIPMENT CONTINUED

Item	Useful life time
Leasehold Improvements	Over the operating lease period
Buildings - Porta-cabins	10%
Plant & Machinery	15%
Furniture and Fixtures	10%
Motor Vehicles	25%
Office Equipment	15%
IT equipment	25%

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### IMPAIRMENT OF NON-FINANCIAL ASSETS

In respect of assets that are subject to depreciation or amortisation, the company assesses at each reporting date whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. An asset's recoverable amount is the higher of its fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying values exceed the estimated recoverable amounts, the tangible assets concerned are written down to their estimated recoverable amounts. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

## FINANCIAL ASSETS

### CLASSIFICATION

The company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides goods or services directly to a debtor with no intention of trading the receivable and are carried at amortised cost using the effective interest rate method.

They are included in current assets, except for maturities greater than 12 months after the reporting date; these are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the statement of financial position.

### DE-RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

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

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

## INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first out and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

#### TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and its recoverable amount, being the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for trade or other receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the statement of comprehensive income. Bad debts are written off in the year in which they are identified.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank borrowings.

#### STATED CAPITAL

Ordinary shares are classified as equity and stated at the fair value of the consideration received. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### BORROWINGS

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

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 balance sheet date.

#### TRADE AND OTHER PAYABLES

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

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

#### PROVISIONS

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

#### EMPLOYEE BENEFITS

The company operates a defined contribution retirement fund. The company's contributions to the fund are charged to the statement of comprehensive income in the year to which they relate.

Severance benefits are payable in terms of the Employment Act to all employees not belonging to the retirement fund. These benefits are recognised when they accrue to the employees.

Employee entitlements to annual leave, gratuities and bonuses are recognised when they accrue to employees. The company recognises a liability and expense for bonuses based on contractual and constructive obligations.

#### REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

##### (a) SALES OF GOODS - FUEL

The entity sells Petrol, Diesel and Illuminating Paraffin from its facilities. Sales are recognised when the product has been loaded to the customers' tankers at the product uplift point at which point the risk and rewards of ownership is transferred to the buyer. The quantity of the product shall be determined as per the facility managers' report at loading point and the tankers will be sealed before departure. There are no unfulfilled obligations that would affect the buyers' acceptance of the product.

##### (b) SALES OF SERVICES - MANAGEMENT FEE - FUEL PROCUREMENT

The entity sources fuel on behalf of the Government to supplement the Government Reserve Stocks managed by the entity. These costs are borne by the Government through the MMEWA. The entity earns a management fee for the service provided. Management fee is recognised when the service is provided.

#### COST OF SALES

Cost of sales represents the purchase cost of fuel for resale, duties, levies and includes all overheads appropriate to the sale.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

#### CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent it relates to items recognised directly in other comprehensive income. In this case, tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred Income taxes arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

#### MARKET RISK

##### (I) FOREIGN CURRENCY RISK

In the normal course of business, the company enters into transactions denominated in foreign currencies primarily with respect to the US Dollar. In addition, the company has assets and liabilities in foreign currencies, which exposes it to fluctuations in foreign currency exchange rates.

At 31 March 2015, if the currency had strengthened/weakened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been P876,858 (2014: P2,681) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar denominated in bank balances and payables.

At 31 March 2015 the company's financial assets and liabilities denominated in foreign currencies are:

	2015	2014
	Debit/(Credit)	Debit/(Credit)
<b>Bank balances</b>		
US Dollar	22,799,679	11,286,486
<b>Trade payables</b>		
US Dollar	(11,557,909)	(11,252,109)

##### (II) CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The company has invested cash which is not required for immediate operations in a call account with Stanbic Bank Botswana Ltd P118 531 730 (2014: P24 263 007) and with African Alliance Botswana P20 622 039 (2014: Nil). These balances are callable at the option of the company and earn interest at variable rates which are determined by the counter party. The company's income and operating cash flows are substantially independent of changes in market interest rates.

##### (III) PRICE RISK

As disclosed in Note 12 to the financial statements, the Government of Botswana has availed a product loan of 20 million litres of fuel to the company. The initial monetary value of drawdowns on this loan is determined with reference to the value of fuel drawn from government reserves measured based on the published slate price per litre on the day of drawdown. Subsequently, the value of this liability will fluctuate based on changes in the published slate price per litre. During the current financial year, the company accounted for a gain of P15 426 344 (2014: P777 532) through reduction of this liability as a result of reductions in the published slate price per litre subsequent to the initial drawdown.

At the financial year end, a 1% increase/(decrease) in the published slate price per litre would result in an increase/(decrease) of the liability by P154 263 (2014: P7 775).

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

#### CREDIT RISK

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only reputable parties are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The company's management considers that all financial assets for each of the reporting dates under review are of good quality.

The table below shows an age analysis of trade receivables at their carrying value respectively as at the balance sheet date.

	Total	Fully performing	Past due	Impaired
<b>At 31 March 2015</b>				
Trade receivables	9,185,783	5,009,004	869,102	3,307,587
<b>At 31 March 2014</b>				
Trade receivables	29,800,384	28,777,278	1,023,106	-

#### LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The company manages its liquidity needs by carefully monitoring scheduled debt servicing payments; cash outflows due in day to day business and by ensuring that un-utilised borrowing facilities are maintained.

The table below analyses the company's financial liabilities based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2015	Total	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	P	P	P	P	P
Borrowings (excluding non-financial Government advances)	12,000,000	12,000,000	-	-	-
Trade and other payables (excluding statutory liabilities)	30,528,568	30,528,568	-	-	-
<b>At 31 March 2014</b>					
Borrowings (excluding non-financial Government advances)	12,000,000	12,000,000	-	-	-
Trade and other payables (excluding statutory liabilities)	15,956,861	15,956,861	-	-	-

## **NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **CAPITAL RISK MANAGEMENT**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### **FAIR VALUE ESTIMATION**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities approximately their carrying amounts at the balance sheet date.

The entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **IMPAIRMENT LOSS ON DEBTORS**

The entity reviews its debtors to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the entity makes judgements as to whether there is any observable data indicating that there is a measurable decrease in estimated cash flows from a portfolio of debtors. Management uses estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

#### **RESIDUAL VALUES AND USEFUL LIVES**

Residual values are based on current estimates of the value of these assets at the end of their useful lives.

#### **PROVISION FOR TAXES**

The company has provided for income tax on the basis of prevailing income tax legislation as directed by the Botswana Unified Revenue Services. However, the company holds that, as a state-owned enterprise, it is exempt from income tax and is pursuing the formalisation of such exemption. In the event that the Botswana Unified Revenue Services should accede to such exemption, current and deferred income tax charges and liabilities as currently accounted for will be reversed.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	P	P
<b>1. Revenue</b>		
Sale of petroleum products	159,129,331	38,801,728
	<b>159,129,331</b>	<b>38,801,728</b>
<b>2. Other operating income</b>		
Management fee	5,346,859	586,507
Tender fee	-	15,625
Other income	49,062	-
	<b>5,395,921</b>	<b>602,132</b>
<b>3. Profit/(loss) before income tax is stated after charging/(crediting) the following items:</b>		
Auditors' remuneration - audit fees	(120,000)	(85,600)
Depreciation	(1,220,026)	(34,903)
Director fee	(17,613)	(12,360)
Employee costs include		
- Salaries and allowances (including pensions)	(14,038,497)	(2,540,586)
- Gratuity and severance	(905,093)	(286,229)
Lease rental expense	(991,904)	(230,221)
<b>Cost of inventories expensed</b>	<b>(130,263,330)</b>	<b>(36,735,148)</b>
<b>4. Finance income and costs</b>		
Finance cost		
Exchange loss	(10,768)	(714,974)
Finance income		
Interest income on call deposit	2,883,388	1,738
<b>Net finance income/(cost)</b>	<b>2,872,620</b>	<b>(713,236)</b>



**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	P	P
<b>5. Income tax expense</b>		
Current income tax	-	-
Deferred income tax	950,676	-
	<b>950,676</b>	<b>-</b>
<b>The entity is liable to income tax at the rate of 22%</b>		
<b>Reconciliation of accounting Profit to Income Tax expense</b>		
Profit/ (loss) before tax	9,832,577	(5,883,893)
Taxable income	9,832,577	(5,883,893)
Income tax @ 22%	2,163,167	(1,294,457)
Expenses not deductible for tax purposes	10,917	396
Tax losses (utilised)/unrecognised	(1,223,408)	1,294,061
Income tax expense	950,676	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

	Building Porta cabins P	Plant & Equipment P	Motor Vehicles P
<b>6. Property plant &amp; equipment</b>			
<b>Year-ended 31 March 2014</b>			
Opening net book amount	-	-	-
Additions	251,660	211,205	130,126
Depreciation charge	(524)	-	(16,266)
<b>Closing net book amount</b>	<b>251,136</b>	<b>211,205</b>	<b>113,860</b>
At cost	251,660	211,205	130,126
Accumulated depreciation	(524)	-	(16,266)
<b>Net book amount</b>	<b>251,136</b>	<b>211,205</b>	<b>113,860</b>
<b>Year-ended 31 March 2015</b>			
Opening net book amount	251,136	211,205	113,860
Additions	25,433	27,980	712,077
WIP capitalised	-	-	-
Disposals	-	-	-
Depreciation charge	(29,283)	(38,168)	(208,251)
<b>Closing net book amount</b>	<b>247,286</b>	<b>201,017</b>	<b>617,686</b>
At cost	277,093	239,185	842,203
Accumulated depreciation	(29,807)	(38,168)	(224,517)
<b>Net book amount</b>	<b>247,286</b>	<b>201,017</b>	<b>617,686</b>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

Furniture & Fittings P	Computers & Software P	Leasehold Improvements P	Office Equipment P	Capital Work in progress P	Total P
-	-	-	-	-	-
48,312	338,528	-	-	4,643,565	5,623,396
(524)	(17,589)	-	-	-	(34,903)
<b>47,788</b>	<b>320,939</b>	-	-	<b>4,643,565</b>	<b>5,588,493</b>
48,312	338,528	-	-	4,643,565	5,623,396
(524)	(17,589)	-	-	-	(34,903)
<b>47,788</b>	<b>320,939</b>	-	-	<b>4,643,565</b>	<b>5,588,493</b>
47,788	320,939	-	-	4,643,565	5,588,493
95,220	937,349	60,042	51,011	-	1,909,112
2,312,660	810,631	1,520,274	-	(4,643,565)	-
(2,618)	(41,263)	-	-	-	(43,881)
(236,131)	(440,543)	(314,521)	(5,377)	-	(1,272,274)
<b>2,216,919</b>	<b>1,587,113</b>	<b>1,265,795</b>	<b>45,634</b>	-	<b>6,181,450</b>
2,453,574	2,045,245	1,580,316	51,011	-	7,488,627
(236,655)	(458,132)	(314,521)	(5,377)	-	(1,307,177)
<b>2,216,919</b>	<b>1,587,113</b>	<b>1,265,795</b>	<b>45,634</b>	-	<b>6,181,450</b>

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	P	P
<b>7. Deferred tax</b>		
Deferred tax liability		
Accelerated capital allowance for tax purposes	163,153	-
Straight lining impact of operating leases	(31,975)	-
Timing difference from unrealised exchange losses	(102,314)	-
Unrealised gain on remeasurement of product loan	3,393,796	-
Prepaid expenses allowed as deduction for tax	501,784	-
Tax losses Utilised	(2,973,768)	-
	<b>950,676</b>	<b>-</b>
<b>8. Inventories</b>		
Illuminating paraffin	-	1,945,753
	<b>-</b>	<b>1,945,753</b>
<b>9. Trade &amp; other receivables</b>		
Trade receivables	6,380,686	29,800,384
Value added tax receivable	130,911	632,771
Other receivables	8,861,066	743,622
	<b>15,372,663</b>	<b>31,176,777</b>
As of 31 March 2015, trade receivables of P5 009 004 (2014 - P28 777 278) were fully performing.		
Trade receivable of P1 371 592 (2014 - P1 023 106) were past due but not impaired.		
Trade receivable of P2 805 097 (2014 - P Nil) were impaired and written off to the cost of sales in the statement of comprehensive income.		
The age analysis of these trade receivable is as follows:		
Up to 3 months	5,009,004	1,023,106

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	P	P
<b>10. Cash &amp; cash equivalents</b>		
Cash at Bank	164,970,561	35,221,036
Cash in Hand	689	3,632
	<b>164,971,250</b>	<b>35,224,668</b>
<p>Bank balances include an amount of USD 1 326 162 which is secured by a pledge and cession for the LC facility of USD 10 000 000 provided by Stanbic Bank Botswana Ltd. The amount is therefore restricted and not available for use.</p>		
<b>11. Stated capital</b>		
11.1 Issued number of shares	10,000,000	10,000,000
(10 million shares of no par value)		
11.2 Stated Capital		
Balance as at 31 March	1	1

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	P	P
<b>12. Shareholder's Loan</b>		
Cash loan	12,000,000	12,000,000
Product loan	119,764,169	35,592,254
	<b>131,764,169</b>	<b>47,592,254</b>

#### Cash Loan

The cash loan is interest free and repayable on demand. The Government through the MMEWR released the loan as an interim measure to enable BOL commence their operations.

#### Product loan

Government through the Ministry of Minerals Energy and Water Resources agreed to the utilisation of fuel to the extent of 20 million litres in order for BOL to commence their operations. The arrangement provides for the settlement of the volumes by BOL based on their procurement, sales and estimated usage requirement and provides no cash settlement alternative. The loan is therefore a non financial obligation of the entity.

The movement of the product loan is reflected below:

	2015		2014	
	Qty in Ltrs	Pula	Qty in Ltrs	Pula
Opening balance	4,312,758	36,369,786	-	-
Utilisation by BOL	19,016,357	125,295,207	4,312,758	36,369,786
Replenishment to the strategic reserves	(3,032,926)	(25,696,948)	-	-
Measurement adjustment to cost of sales	-	(15,426,344)	-	(777,532)
<b>Closing balance</b>	<b>20,296,189</b>	<b>120,541,701</b>	<b>4,312,758</b>	<b>36,369,786</b>

The replenishment resulted in a gain of P9.5 million representing the impact of the difference in slate prices between the period of utilisation and replenishment which has been credited to Cost of sales in the Statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	P	P
<b>13. Government advance procurement loan</b>		
Government advance - BOL procurement	19,909,676	6,531,090
Government advance - procurement through CEC	-	9,249,050
	<b>19,909,676</b>	<b>15,780,140</b>

The Government advance procurement loan represents the specific amounts received by BOL to procure strategic reserve stocks on behalf of the Government directly and through CEC's in order to facilitate these companies to participate in the petroleum sector. BOL earns management fees as a result of the sourcing on behalf of the Government strategic stock reserves. The advance does not attract interest.

**14. Trade & other Payables**

Trade payables	22,632,107	12,567,051
Other payables		
- Accruals	4,811,703	2,921,242
- Gratuity and severance provision	1,220,745	286,229
- Other	2,238,278	672,667
	<b>30,902,833</b>	<b>16,447,189</b>

**15. Financial assets by category**

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial assets of the company are classified as follows:

Trade and other receivables	15,372,663	30,544,006
Cash and cash equivalents	164,971,250	35,224,668
	<b>180,343,913</b>	<b>65,768,674</b>

**16. Financial liabilities by category**

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial liabilities of the company are classified as follows:

Shareholder's loan	12,000,000	12,000,000
Trade and other payables	30,528,568	15,956,861
	<b>42,528,568</b>	<b>27,956,861</b>

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**

**FOR THE YEAR ENDED 31 MARCH 2015**

Lease Commitments	Non-cancellable		Cancellable	
	Operating Leases		Operating Leases	
	2015	2015	2014	2014
	P	P	P	P
<b>17. Commitment and contingencies</b>				
Not later than one year	868,152		807,584	
Later than one year and not later than five years	687,065	2,043,447	1,555,218	2,851,030
	<b>1,555,217</b>	<b>2,043,447</b>	<b>2,362,802</b>	<b>2,851,030</b>

**18. Events occurring after the balance sheet date**

Other than the repayment of the cash loan from the shareholder during September 2015, there have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

**19. Assets pledged**

No assets were pledged as security for liabilities other than the restricted cash reported under note 10.

**20. Related party balances and transactions**

Disclosure of related party transactions with government entities are exempt as per Para 18 IAS 24 where the Government has controlling interest, joint control or significant influence. This includes transactions with other entities which are controlled, jointly controlled or significant influence over the entity.

Key Management Personnel	2015	2014
	P	P
Directors Emoluments		
For services as directors	17,613	12,360
For managerial services	1,275,180	777,179
	<b>1,292,793</b>	<b>789,539</b>
Gratuity payable as at 31 March 2015	489,308	209,704



# DETAILED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	P	P
<b>Revenue</b>		
Sale of petroleum products	159,129,331	38,801,728
<b>Cost of sales</b>	<b>(130,263,330)</b>	<b>(36,735,148)</b>
<b>Gross profit</b>	<b>28,866,001</b>	<b>2,066,580</b>
<b>Other operating income</b>		
Management fee	5,346,859	586,507
Tender fee	-	15,625
Other income	49,062	-
	5,395,921	602,132
<b>Finance income</b>	<b>2,883,388</b>	<b>1,738</b>
<b>Finance cost</b>	<b>(10,768)</b>	<b>(714,974)</b>
<b>Administration expenses</b>		
Accommodation and travelling expenses	(1,369,186)	(261,038)
Advertising	(1,867,106)	(22,588)
Audit fee	(120,000)	(85,598)
Bank charges	(168,647)	(5,368)
Cleaning expenses	(168,571)	(450)
Computer software maintenance	(574,754)	(63,994)
Consultancy fee	(666,734)	(784,067)
Depreciation	(1,220,026)	(34,902)
Director fee	(17,613)	(12,360)
Donation	(49,621)	(900)
Entertainment	(22,961)	-
Foreign exchange loss	(465,063)	-
Fuel expenses	(29,949)	(3,335)
Gratuity provision	(905,093)	(286,229)
Group personal insurance	(166,870)	(4,910)
Health Safety Security Environment expenses	(98,681)	-

# DETAILED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	P	P
<b>Administration expenses continued</b>		
Insurance	(71,302)	-
Lease rent expenses	(991,904)	(230,221)
Leave pay provision	(402,491)	(189,489)
Legal expenses	(43,364)	(5,685)
Machine rental	(159,381)	(20,956)
Medical	(165,520)	(48,708)
Miscellaneous expenses	(38,119)	(112,734)
Penalties	-	(900)
Pension	(1,347,290)	(254,606)
Performance Bonus	(812,281)	-
Power & water	(145,097)	(16,054)
Printing and stationary	(93,728)	(44,029)
Repair and maintenance	(28,305)	(46,226)
Salaries	(12,288,716)	(2,302,413)
Secretarial charges	(32,221)	(1,330)
Security	(45,803)	-
Staff recruitment expenses	(229,565)	(2,492,031)
Subscriptions & memberships	(350,271)	(7,749)
Technical Services	(158,499)	-
Telephone charges	(641,975)	(40,650)
Tender Costs	(33,106)	-
Training and conference expenses	(510,877)	(436,136)
Training levy	(169,678)	(19,713)
VAT	(255,046)	-
Welfare expenses	(376,551)	(4,000)
	(27,301,965)	(7,839,369)
<b>Total comprehensive income for the year</b>	<b>9,832,577</b>	<b>(5,883,893)</b>

(The detailed statement of comprehensive income does not form part of the audited financial statement covered by the audit opinion)