

## Independent Auditor's Report to the Members of Total Petroleum Ghana Limited

We have audited the accompanying financial statements of Total Petroleum Ghana Limited, which comprise the statement of financial position at 31 December 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 41.

### *Directors' Responsibility for the financial statement*

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) and for such internal controls 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 controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls. 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 Total Petroleum Ghana Limited at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179).

### *Report on Other Legal and Regulatory Requirements*

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179).

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the statement of financial position, the statement of comprehensive income and the retained earnings accounts are in agreement with the books of account.



### **CHARTERED ACCOUNTANTS**

13 YIYIWA DRIVE, ABELENKPE  
P.O. BOX GP 242, ACCRA  
28th March, 2012

28th March, 2012

## Statement Of Financial Position as at 31 December 2011

	Note	2011 GH¢'000	2010 GH¢'000
<b>Assets</b>			
Property, plant and equipment	12	64,455	57,287
Intangible assets	13	12,182	12,460
Long term investments	14	14	14
<b>Total non-current assets</b>		76,651	69,761
Inventories	15	36,872	31,730
Income tax asset	10	1,003	1,281
Trade and other receivables	16	98,221	67,798
Cash and Bank	17	12,497	6,960
<b>Total current assets</b>		148,593	107,769
<b>Total assets</b>		225,244	177,530
<b>Equity</b>			
Share capital	19	49,722	49,722
Retained earnings		22,884	16,484
<b>Total equity</b>		72,606	66,206
<b>Liabilities</b>			
Bank overdraft	18	-	897
Trade and other payables	21	133,333	91,768
Amount due to related companies	23	14,980	14,968
<b>Total current liabilities</b>		148,313	107,633
Deferred tax liabilities	11	4,325	3,691
<b>Total liabilities</b>		152,638	111,324
<b>Total liabilities and equity</b>		225,244	177,530



DIRECTOR



DIRECTOR

The notes on page 14 to 41 are an integral part of these financial statements.

Statement Of Comprehensive Income for the year ended 31 December 2011

	Note	2011 GH¢'000	2010 GH¢'000
<b>Revenue</b>	6	971,683	738,910
Cost of Sales		<u>(905,728)</u>	<u>(685,737)</u>
Gross profit		65,955	53,173
Other Income	7	11,325	7,668
<b>General and Administrative expenses</b>		<u>(46,916)</u>	<u>(33,058)</u>
Operating profit before financing cost		30,364	27,783
Interest income		798	777
Interest expense		(234)	(170)
Net Finance Cost		<u>564</u>	<u>607</u>
<b>Profit before taxation</b>	8	30,928	28,390
Income tax expense	10	<u>(8,364)</u>	<u>(7,344)</u>
<b>Profit after taxation</b>		22,564	21,046
Other comprehensive income		-	-
<b>Profit for the year</b>		<u>22,564</u>	<u>21,046</u>
Basic earnings per share	20	GH¢1.6135	GH¢1.5050
(Ghana cedi per share)			
Diluted earnings per share	20	GH¢1.6135	GH¢1.5050
(Ghana cedi per share)			

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## Statement Of Changes In Equity for the year ended 31 December 2011

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
<b>Balance at 1 January 2011</b>	49,722	16,484	66,206
Profit for the year	-	22,564	22,564
Dividend	-	(16,164)	(16,164)
<b>Balance at 31 December 2011</b>	<u>49,722</u>	<u>22,884</u>	<u>72,606</u>
	Share Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
<b>Balance at 1 January 2010</b>	49,722	10,687	60,409
Profit for the year	-	21,046	21,046
Dividend paid	-	(15,249)	(15,249)
<b>Balance at 31 December 2010</b>	<u>49,722</u>	<u>16,484</u>	<u>66,206</u>

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Statement Of Cash Flows for the year ended 31 December 2011

	2011 GH¢'000	2010 GH¢'000
<b>Cash flows from operating activities</b>		
Profit before taxation	30,928	28,390
Adjustments for:		
Depreciation charges	6,780	4,807
Amortization of intangible assets	278	278
Interest received	(798)	(777)
Interest expense	234	170
Profit on disposal of property, plant and equipment	<u>(22)</u>	<u>(47)</u>
	37,400	32,821
Change in inventories	(5,142)	(17,418)
Change in trade and other receivables	(30,423)	(8,873)
Change in trade and other payables	41,565	19,600
Changes in associated company balances	<u>12</u>	<u>12,115</u>
<b>Cash generated from operations</b>	43,412	38,245
Interest received	798	777
Interest paid	(234)	(170)
Income taxes paid	<u>(7,452)</u>	<u>(7,758)</u>
Net cash flow from operating activities	36,524	31,094
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,022)	(16,292)
Proceeds from sale of property, plant and equipment	96	104
Net cash flow used in investing activities	<u>(13,926)</u>	<u>(16,188)</u>
<b>Cash flows used in financing activities</b>		
Dividend paid	(16,164)	(15,249)
Net cash flow used in financing activities	(16,164)	(15,249)
Net movement in cash and cash equivalents	6,434	(343)
Cash and cash equivalents at 1 January	<u>6,063</u>	<u>6,406</u>
Cash and cash equivalents at 31 December	<u>12,497</u>	<u>6,063</u>

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