

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
GHANA OIL COMPANY LIMITED**  
FOR THE YEAR ENDED 31 DECEMBER 2012



**Report on the Financial Statements**

We have audited the accompanying financial statements of Ghana Oil Company Limited which comprise the statement of financial position as of December 31, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Directors' Responsibility for the Financial Statements**

The 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) Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 judgment, 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 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, 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 Ghana Oil Company Limited as of December 31, 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Code, 1963 (Act 179), Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

**Report on Other Legal and Regulatory Requirements**

The Companies Code, 1963, (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of accounts have been kept by the Company, so far as appears from our examination of those books, and
- iii) The Company's statement of financial position and statement of comprehensive income are in agreement with the books of accounts.

A handwritten signature in black ink, appearing to read 'F. Bruce-Tagoe', written over a dotted line.

Signed by: F. Bruce-Tagoe (ICAG/P/1087)

For and on behalf of

PKF: (ICAG/F/2013/039) | Chartered Accountants

Farrar Avenue | P. O. Box GP 1219, Accra.

28th March, 2013

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 GH¢	2011 GH¢
Gross Revenue		859,912,641	671,672,239
Customs Duties and Levies		(68,585,163)	(62,352,767)
Net Revenue		791,327,478	609,319,472
Cost of Sales		(746,310,078)	(575,483,539)
Gross Profit		45,017,400	33,835,933
Sundry Income	3	2,243,023	3,352,787
Depot and Station Expenses	2a	(8,980,213)	(6,151,741)
Selling & Administrative Expenses	2b	(23,489,428)	(18,410,620)
Operating profit before financing cost		14,790,782	12,626,359
Net Finance Expenses	4	(600,704)	(1,285,127)
Profit before Taxation		14,190,078	11,341,232
Income Tax Expense	5	(4,788,452)	(3,452,457)
Net Profit After Tax Attributable to Equity Holders Of The Company		9,401,626	7,888,775
Other Comprehensive Income			
Available-for-Sale Financial Assets net of tax	20	366,000	983,000
Deferred Tax on Revaluation	20	0	(147,450)
Total Other Comprehensive Income		366,000	835,550
Total Comprehensive Income for the year		9,767,626	8,724,325
Earnings per share (GH¢)	29	0.045	0.038
Dividend per share (GH¢)	29	0.015	0.014

## STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2012

	Notes	2012 GH¢	2011 GH¢
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8a	46,823,684	32,657,734
Intangible Asset	12	851,825	0
Available for Sale Financial Instruments	9a	5,546,089	5,180,089
<b>TOTAL NON CURRENT ASSETS</b>		<u>53,221,598</u>	<u>37,837,823</u>
<b>CURRENT ASSETS</b>			
Stocks	10	12,375,835	9,926,343
Accounts Receivable	11	90,297,148	65,302,612
Short Term Investment	9b	3,900,227	2,000,000
Cash and Bank Balances	13	3,995,913	6,465,964
<b>TOTAL CURRENT ASSETS</b>		<u>110,569,123</u>	<u>83,694,919</u>
<b>TOTAL ASSETS</b>		<u><u>163,790,721</u></u>	<u><u>121,532,742</u></u>
<b>EQUITY</b>			
Stated Capital	17	11,809,263	11,809,263
Building Fund	18	1,599,217	1,129,136
Income Surplus	19	27,508,113	21,519,175
Capital Surplus	20	6,058,355	5,692,355
<b>TOTAL EQUITY</b>		<u>46,974,948</u>	<u>40,149,929</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred Tax	7b	2,822,389	1,415,570
Term Loan	16b	8,121,909	1,465,600
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>10,944,298</u>	<u>2,881,170</u>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	14	1,316,148	2,009,604
Accounts Payable	15	99,131,373	72,841,345
Short Term Loan	16c	3,636,477	2,350,500
Current Tax	7a	1,787,477	1,300,194
<b>TOTAL CURRENT LIABILITIES</b>		<u>105,871,475</u>	<u>78,501,643</u>
<b>TOTAL LIABILITIES</b>		<u>116,815,773</u>	<u>81,382,813</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>163,790,721</u></u>	<u><u>121,532,742</u></u>

Approved by the Board on 28th March, 2013



.....Director



.....Director

## STATEMENT OF CHANGES IN EQUITY FOR THE YEARENDED 31 DECEMBER 2012

	Stated Capital GH¢	Building Fund GH¢	Income Surplus GH¢	Capital Surplus GH¢	Totals GH¢
2012					
Balance at 1 January	11,809,263	1,129,136	21,519,175	5,692,355	40,149,929
Net profit for the year	0	0	9,401,626	0	9,401,626
Transfer to Building Fund	0	470,081	(470,081)	0	0
Revaluation Gain on Available for Sale Investments	0	0	0	366,000	366,000
Dividend paid	0	0	(2,942,607)	0	(2,942,607)
Balance at 31 December	11,809,263	1,599,217	27,508,113	6,058,355	46,974,948
2011					
Balance at 1 January	11,809,263	734,697	16,047,683	4,856,805	33,448,448
Net profit for the year	0	0	7,888,775	0	7,888,775
Transfer to Building Fund	0	394,439	(394,439)	0	0
Revaluation Gain on Available for Sale Investments	0	0	0	983,000	983,000
Over Provision of Corporate Taxes up to Year 2009	0	0	397,124	0	397,124
Deferred tax on Revaluation Gain	0	0	0	(147,450)	(147,450)
Dividend paid	0	0	(2,419,968)	0	(2,419,968)
Balance at 31 December	11,809,263	1,129,136	21,519,175	5,692,355	40,149,929

## STATEMENT OF CASH FLOW

### FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 GH¢	2011 GH¢
Cash flow from operating activities		
Operating Profit	14,190,078	11,341,232
Adjustment for:		
Depreciation and Amortisation charges	4,828,924	2,815,870
Profit on sale of Property, Plant and Equipment	(77,273)	(2,628)
Interest and Dividend Received	(666,649)	(272,843)
Interest Paid	1,267,353	1,557,970
Net effect of Assets Reversed	30,000	0
Operating Profit Before Working Capital Changes	19,572,433	15,439,601
Increase in Stocks	(2,449,492)	(1,074,579)
Increase in Debtors	(24,994,536)	(7,628,685)
Increase in Creditors	26,290,028	12,785,794
Cash generated from operations	18,418,433	19,522,131
Company Tax Paid	(2,894,350)	(1,495,851)
Net Cash Inflow from Operating activities	15,524,083	18,026,280
Cash flows from Investing activities		
Interest and Dividend Received	666,649	272,843
Interest paid	(1,267,353)	(1,557,970)
Acquisition of Property, Plant and Equipment	(19,908,819)	(9,639,746)
Receipt from disposal of Property, Plant and Equipment	109,393	226,019
	(20,400,130)	(10,698,854)
Net Cash Inflows Before Financing	(4,876,047)	7,327,426
Cash flows from Financing Activities		
Changes in Term Loan	7,942,286	(1,227,541)
Dividend paid	(2,942,607)	(2,419,968)
	4,999,679	(3,647,509)
Net Increase in Cash and Cash Equivalents	123,632	3,679,917
Cash and Cash Equivalents at 1 January	6,456,360	2,776,443
Cash and Cash Equivalents at 31 December	6,579,992	6,456,360
Cash and Cash Equivalents		
Cash at Bank and in Hand	3,995,913	6,465,964
Bank Overdraft	(1,316,148)	(2,009,604)
Short Term Investment	3,900,227	2,000,000
	6,579,992	6,456,360