

# Independent Auditor's Report

To The Members of Ghana Oil Company Limited for the Year Ended 31 December 2014

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Accountants &  
business advisers

## 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, 2014, 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 Act, 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 the 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.

## *Independent Auditor's Report cont'd*

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### 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, 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act, 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 Act, 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.



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Signed by: *F. Bruce-Tagoe* (ICAG/P/1087)  
For and on behalf of  
PKF: (ICAG/F/2015/039); Chartered Accountants  
Farrar Avenue; P.O. Box GP 1219, Accra.

9th April, 2015

# Statement of Comprehensive Income

for the Year Ended 31 December 2014

	Notes	2014 GH¢	2013 GH¢
Gross Revenue		1,634,919,213	1,082,583,510
Customs Duties and Levies		(87,889,739)	(76,956,013)
Net Revenue		1,547,029,474	1,005,627,497
Cost of Sales		(1,458,913,442)	(949,504,217)
Gross Profit		88,116,032	56,123,280
Sundry Income	3	4,225,682	3,494,932
Depot and Station Expenses	2a.	(19,748,306)	(13,524,864)
Selling and Administrative Expenses	2b.	(43,177,261)	(27,317,201)
Operating Profit before Financing Cost		29,416,147	18,776,147
Net Finance Expenses	4	(1,792,940)	(187,890)
Profit before Taxation		27,623,207	18,588,257
Income Tax Expense	5	(7,457,614)	(4,825,426)
Net Profit after Tax attributable to Equity Holders of the Company		20,165,593	13,762,831
Other Comprehensive Income			
Available - for - Sale Financial Assets	20	1,082,149	2,916,072
Total Other Comprehensive Income		1,082,149	2,916,072
Total Comprehensive Income for the year		21,247,742	16,678,903
Earning per share (GH¢)	29	0.080	0.055
Dividend per share (GH¢)	29	0.020	0.016

# Statement of Financial Position


as at 31 December 2014

	Notes	2014 GH¢	2013 GH¢
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8a	120,092,841	71,750,042
Intangible Asset	12	3,133,453	2,289,256
Available for Sale Financial Instruments	9a	9,904,748	8,584,883
<b>TOTAL NON CURRENT ASSETS</b>		<b>133,131,042</b>	<b>82,624,181</b>
<b>CURRENT ASSETS</b>			
Stocks	10	27,207,774	17,085,291
Accounts Receivable	11	160,434,407	96,527,285
Short Term Investment	9b	6,415,674	4,479,075
Cash and Bank Balances	13	13,643,880	21,227,777
<b>TOTAL CURRENT ASSETS</b>		<b>207,701,735</b>	<b>139,319,428</b>
<b>TOTAL ASSETS</b>		<b>340,832,777</b>	<b>221,943,609</b>
<b>EQUITY</b>			
Stated Capital	17	31,809,263	31,809,263
Building Fund	18	3,882,877	2,533,369
Income Surplus	19	31,141,437	16,017,991
Capital Surplus	20	10,056,576	8,974,427
<b>TOTAL EQUITY</b>		<b>76,890,153</b>	<b>59,335,050</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred Tax	7b	2,884,519	3,591,598
Non Current Term Loan	16b	11,250,000	6,565,818
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>14,134,519</b>	<b>10,157,416</b>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	14	16,200,948	1,114,277
Accounts Payable	15	219,429,320	145,646,738
Current Portion of Term Loan	16c	10,520,399	3,662,975
Current Tax	7a	3,657,438	2,027,153
<b>TOTAL CURRENT LIABILITIES</b>		<b>249,808,105</b>	<b>152,451,143</b>
<b>TOTAL LIABILITIES</b>		<b>263,942,624</b>	<b>162,608,559</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>340,832,777</b>	<b>221,943,609</b>

Approved by the Board on 9th April, 2015



.....Director



.....Director

# Statement of Changes in Equity

for the Year Ended 31 December 2014

	Capital Stated GH¢	Fund Building GH¢	Surplus Income GH¢	Surplus Capital GH¢	Totals GH¢
2014					
Balance at 1 January	31,809,263	2,533,369	16,017,991	8,974,427	59,335,050
Net Profit for the year	0	0	20,165,593	0	20,165,593
Transfer to Building Fund	0	1,008,280	(1,008,280)	0	0
Interest Earned on Amount Invested	0	341,228	0	0	341,228
Revaluation Gain on Available for Sale Investments	0	0	0	1,082,149	1,082,149
Dividend Paid	0	0	(4,033,867)	0	(4,033,867)
Balance at 31 December	31,809,263	3,882,877	31,141,437	10,056,576	76,890,153
2013					
Balance at 1 January	11,809,263	1,599,217	27,508,113	6,058,355	46,974,948
Net Profit for the year	0	0	13,762,831	0	13,762,831
Transfer to Stated Capital	20,000,000	0	(20,000,000)	0	0
Tax Effect on Transfer to Stated Capital	0	0	(1,412,015)	0	(1,412,015)
Transfer to Building Fund	0	688,142	(688,142)	0	0
Interest Earned on Amount Invested	0	246,010	0	0	246,010
Revaluation Gain on Available for Sale Investments	0	0	0	2,916,072	2,916,072
Dividend Paid	0	0	(3,152,796)	0	(3,152,796)
Balance at 31 December	31,809,263	2,533,369	16,017,991	8,974,427	59,335,050

# Statement of Cash Flow

## for the Year Ended 31 December 2014

	2014 GH¢	2013 GH¢
Cash Flow from Operating Activities		
Operating Profit	27,623,207	18,588,257
Adjustment for:		
Depreciation and Amortisation charges	11,728,902	7,828,259
Profit on Sale of Property, Plant and Equipment	(86,630)	(141,650)
Interest and Dividend Received	(1,245,766)	(1,174,589)
Interest Paid	3,038,706	1,362,479
Net effect of Assets Reversed		17,948
Operating Profit Before Working Capital Changes	41,058,419	26,480,704
Changes in Stocks	(10,122,483)	(4,709,456)
Changes in Debtors	(63,907,122)	(6,230,137)
Changes in Creditors	73,782,582	45,226,638
Cash generated from operations	40,811,396	60,767,749
Company Tax Paid	(6,534,408)	(3,816,541)
Net Cash Inflow from Operating activities	34,276,988	56,951,208
Cash flows from Investing activities		
Interest and Dividend Received	1,245,766	1,174,589
Interest Paid	(3,038,706)	(1,362,479)
Acquisition of Property, Plant and Equipment	(60,812,386)	(34,242,246)
Receipt from Disposal of Property, Plant and Equipment	86,630	173,900
Net Cash Outflows from Investing Activities	(62,518,696)	(34,256,236)
Net Cash (Out)/Inflows Before Financing	(28,241,708)	22,694,972
Cash flows from Financing Activities		
Changes in Term Loan	11,541,606	(1,529,593)
Dividend Paid	(4,033,867)	(3,152,796)
Net Cash In/(Out) flows from Financing Activities	7,507,739	(4,682,389)
Net (Decrease)/Increase in Cash and Cash Equivalents	(20,733,969)	18,012,583
Cash and Cash Equivalents at 1 January	24,592,575	6,579,992
Cash and Cash Equivalents at 31 December	3,858,606	24,592,575
Cash and Cash Equivalents		
Cash at Bank and in Hand	13,643,880	21,227,777
Bank Overdraft	(16,200,948)	(1,114,277)
Short Term Investment	6,415,674	4,479,075
	3,858,606	24,592,575