

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHANA OIL COMPANY LIMITED AND ITS SUBSIDIARY

For The Year Ended 31 December 2015

## PKF

Accountants &  
business advisers

### Report on the Financial Statements

We have audited the accompanying financial statements of Ghana Oil Company Limited and its subsidiary which comprise the consolidated statement of financial position as of December 31, 2015, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cashflow 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.

### Opinion

In our opinion, the financial statements give a true and fair view of the consolidated financial position of Ghana Oil Company Limited and its subsidiary as of December 31, 2015 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:

- ✦ 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 accounts have been kept by the Company and its subsidiary, so far as appears from our examination of those books, and
- ✦ The Company's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

*PKF*

Signed by: \_\_\_\_\_

F. Bruce-Tagoe (ICAG/P/1087)

For and on behalf of

PKF: (ICAG/F/2016/039) Chartered Accountants

Farrar Avenue P. O. Box GP 1219,

Accra.

20th April, 2016

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2015

			Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
	<i>Notes</i>				
<b>Gross Revenue</b>			3,760,389	2,083,896	1,634,919
Customs Duties and Levies			(129,391)	(129,391)	(87,890)
<b>Net Revenue</b>			3,630,998	1,954,505	1,547,029
<b>Cost of Sales</b>			(3,491,696)	(1,844,195)	(1,458,913)
<b>Gross Profit</b>			139,302	110,310	88,116
Sundry Income	3		4,600	4,600	4,226
Depot and Station Expenses	2a.		(22,346)	(22,205)	(19,748)
Staff, Selling & Administrative Expenses	2b.		(63,625)	(58,205)	(43,177)
<b>Operating profit before financing cost</b>			57,931	34,500	29,417
Net Finance Expenses	4		(1,831)	(1,802)	(1,793)
<b>Profit before Taxation</b>			56,100	32,698	27,624
Income Tax Expense	5		(16,527)	(10,487)	(7,458)
<b>Net profit after tax attributable to equity holders of the company</b>			39,573	22,211	20,166
<b>Other Comprehensive Income</b>					
Available - for - Sale Financial Assets	20		(832)	(832)	1,082
<b>Total Other Comprehensive Income</b>			(832)	(832)	1,082
<b>Total Comprehensive Income for the year</b>			38,741	21,379	21,248
<b>Earning per share (GH¢)</b>	29		0.157	0.088	0.080
<b>Dividend per share (GH¢)</b>	29		0.025	0.025	0.020

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2015

		Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
<b>NON CURRENT ASSETS</b>	<i>Notes</i>			
Property, Plant and Equipment	8a	188,041	186,343	120,093
Intangible Asset	12	3,670	3,670	3,133
Available for Sale Financial Instruments	9a	9,072	9,102	9,905
<b>TOTAL NON CURRENT ASSETS</b>		<b>200,783</b>	<b>199,115</b>	133,131
<b>CURRENT ASSETS</b>				
Stocks	10	35,491	24,584	27,208
Accounts Receivable	11	310,662	267,302	160,434
Held to Maturity Investments	9b	5,366	5,366	6,416
Cash and Bank Balances	13	33,070	24,867	13,644
<b>TOTAL CURRENT ASSETS</b>		<b>384,589</b>	<b>322,119</b>	207,702
<b>TOTAL ASSETS</b>		<b>585,372</b>	<b>521,234</b>	340,833
<b>EQUITY</b>				
Stated Capital	17	31,809	31,809	31,809
Building Fund	18	6,294	5,426	3,883
Income Surplus	19	63,692	47,198	31,141
Capital Surplus	20	9,224	9,224	10,057
<b>TOTAL EQUITY</b>		<b>111,019</b>	<b>93,657</b>	76,890
<b>NON CURRENT LIABILITIES</b>				
Deferred Tax	7b	4,547	4,522	2,885
Non Current Term Loan	16b	12,409	12,409	11,250
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>16,956</b>	<b>16,931</b>	14,135
<b>CURRENT LIABILITIES</b>				
Bank Overdraft	14	67,590	67,590	16,201
Accounts Payable	15	363,040	322,304	219,429
Current Portion of Term Loan	16c	20,045	20,045	10,521
Company Income Tax	7a	6,722	707	3,657
<b>TOTAL CURRENT LIABILITIES</b>		<b>457,397</b>	<b>410,646</b>	249,808
<b>TOTAL LIABILITIES</b>		<b>474,353</b>	<b>427,577</b>	263,943
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>585,372</b>	<b>521,234</b>	340,833

Approved by the Board on: 20th April, 2015



Director



Director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2015

### GROUP

2015

	Stated Capital GH¢'000	Building Fund GH¢'000	Income Surplus GH¢'000	Capital Surplus GH¢'000	Totals GH¢'000
Balance at 1 January	31,809	3,883	31,142	10,056	76,890
Net profit for the year	0	0	39,573	0	39,573
Transfer to Building Fund	0	1,979	(1,979)	0	0
Interest Earned on Amount Invested	0	432	0	0	432
Revaluation Loss on Available for Sale Investments	0	0	0	(832)	(832)
Dividend paid	0	0	(5,044)	0	(5,044)
<b>Balance at 31 December</b>	<b>31,809</b>	<b>6,294</b>	<b>63,692</b>	<b>9,224</b>	<b>111,019</b>

### COMPANY

2015

Balance at 1 January	31,809	3,883	31,142	10,056	76,890
Net profit for the year	0	0	22,211	0	22,211
Transfer to Building Fund	0	1,111	(1,111)	0	0
Interest Earned on Amount Invested	0	432	0	0	432
Revaluation Loss on Available for Sale Investments	0	0	0	(832)	(832)
Dividend paid	0	0	(5,044)	0	(5,044)
<b>Balance at 31 December</b>	<b>31,809</b>	<b>5,426</b>	<b>47,198</b>	<b>9,224</b>	<b>93,657</b>

2014

Balance at 1 January	31,809	2,533	16,018	8,974	59,334
Net profit for the year	0	0	20,166	0	20,166
Transfer to Building Fund	0	1,008	(1,008)	0	0
Interest Earned on Amount Invested	0	342	0	0	342
Revaluation Gain on Available for Sale Investments	0	0	0	1,082	1,082
Dividend paid	0	0	(4,034)	0	(4,034)
<b>Balance at 31 December</b>	<b>31,809</b>	<b>3,883</b>	<b>31,142</b>	<b>10,056</b>	<b>76,890</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

For The Year Ended 31 December 2015

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
<b>Cash flow from operating activities</b>			
<b>Operating Profit</b>	56,100	32,698	27,623
<b>Adjustment for:</b>			
Depreciation and Amortisation charges	13,698	13,129	11,729
Loss/(Profit) on sale of Property, Plant and Equipment	7	7	(87)
Interest and Dividend Received	(1,239)	(1,239)	(1,246)
Interest Paid	3,070	3,041	3,039
<b>Operating Profit Before Working Capital Changes</b>	71,636	47,636	41,058
Changes in Stocks	(8,283)	2,624	(10,122)
Changes in Debtors	(316,914)	(106,868)	(63,907)
Changes in Creditors	310,299	102,875	73,782
<b>Cash generated from operations</b>	56,738	46,267	40,811
Company Tax Paid	(11,800)	(11,800)	(6,534)
<b>Net Cash Inflow from Operating activities</b>	44,938	34,467	34,277
<b>Cash flows from Investing activities</b>			
Interest and Dividend Received	1,239	1,239	1,246
Interest paid	(3,070)	(3,041)	(3,039)
Increase in Investment	30	0	0
Acquisition of Property, Plant and Equipment	(81,832)	(79,563)	(60,813)
Receipt from disposal of Property, Plant and Equipment	43	43	87
<b>Net Cash Outflows from Investing Activities</b>	(83,590)	(81,322)	(62,519)
<b>Net Cash Outflows Before Financing</b>	(38,652)	(46,855)	(28,242)
<b>Cash flows from Financing Activities</b>			
Changes in Term Loan	10,683	10,683	11,542
Dividend paid	(5,044)	(5,044)	(4,034)
<b>Net Cash Inflows from Financing Activities</b>	5,639	5,639	7,508
<b>Net Decrease in Cash and Cash Equivalents</b>	(33,013)	(41,216)	(20,734)
<b>Cash and Cash Equivalents at 1 January</b>	3,859	3,859	24,593
<b>Cash and Cash Equivalents at 31 December</b>	(29,154)	(37,357)	3,859
<b>Cash and Cash Equivalents</b>			
Cash at Bank and in Hand	33,070	24,867	13,644
Bank Overdraft	(67,590)	(67,590)	(16,201)
Held to Maturity Investments	5,366	5,366	6,416
	(29,154)	(37,357)	3,859

