



PRESS RELEASE

PR. No 105/2010

**GHANA OIL COMPANY LIMITED (GOIL) -
2009 YEAR END FINANCIAL STATEMENTS**

GOIL has released its Audited Financial Statements for the year ended December 31, 2009 as per the attached.

Issued at Accra, this 27th
day of April, 2010

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, GOIL
4. MBG Registrars, (Registrars for GOIL shares)
5. SEC
6. GSE Securities Depository
7. GSE Council Members
8. GSE Notice Board

For enquiries, contact:

General Manager/Head of Listings, GSE on 669908, 669914, 669935

*AAS



Accountants &
business advisers

GHANA OIL COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2009

GHANA OIL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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GHANA OIL COMPANY LIMITED
REPORT OF THE DIRECTORS
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

In accordance with the requirements of section 132 of the Companies Code 1963 (Act 179), we the Board of Directors of Ghana Oil Company Limited, present herewith the annual report on the state of affairs of the Company for the year ended December 31, 2009

RESULTS OF OPERATIONS

	2009 GH¢	2008 GH¢
Gross Sales	421,542,111	438,863,961
Customs Duties and Levies	(45,967,900)	(65,661,774)
Net Sales	375,574,211	373,202,187
Profit for the year	6,823,773	5,496,582
from which is deducted; provision for estimated income tax of	(1,556,270)	(1,239,905)
leaving a net profit after tax of	5,267,503	4,256,677
to which is added the income surplus brought forward from the previous year of	8,907,731	6,250,245
	14,175,234	10,506,922
<u>Less:</u>		
final dividend paid; for 2009 at GH¢0.0085 per share (2008 at GH¢0.0070 per share)	(1,787,042)	(1,471,491)
transfer to building fund	(158,025)	(127,700)
	12,230,167	8,907,731

NATURE OF BUSINESS

There was no change in the principal activity of the company as detailed in Section 2 of the Company's Regulations during the year.

OWNERSHIP

The Company was listed on the Ghana Stock Exchange in the year 2007. The Government of Ghana owns 51% of the shares whiles the other 49% are owned by individuals and other corporate bodies.

GHANA OIL COMPANY LIMITED
REPORT OF THE DIRECTORS
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

DIRECTORS

The Directors of the Company who held office during the year are as follows:

Name			Date of appointment	Date retired
Prof. William A. Asomaning	Chairman	Appointed	16.07.2009	
Hon. Nii Laryea Afotey-Agbo	Member	Appointed	√	
Nana Esuman Kwesi Yankah	Member	Appointed	√	
Mr. Eugene Akoto-Bamfo	Member	Appointed	√	
Mr. Kojo Bonsu	Member	Appointed	√	
Mr. Chris A-Ackummey	Member	Appointed	√	
Ms. Faustina Nelson	Member	Appointed	√	
Mr. Thomas Kofi Manu	Member	Appointed	16.10.08	
Mr. Yaw Agyemang-Duah	Managing	Re-elected	16.10.08	
Hon. Freddie W. Blay	Chairman	Re-elected	16.08.08	16.07.2009
Mr. Gottfried Martin Sarpong	Member	Re-elected	√	√
Dr. A. K. Ofosu-Ahenkorah	Member	Re-elected	√	√
Dr. Alhassan Emil Abdulai	Member	Re-elected	√	√
Dr. Francis A. Poku	Member	Re-elected	√	√
Mr. Richard Adu-Poku	Member	Appointed	16.10.08	√
Mr. Kofi Asamoah	Member	Appointed	√	√

DIVIDEND

Final dividend of GH¢0.0085 per share amounting to GH¢1,787,042 was paid during the year.

A final dividend of **GH¢0.0104** per share amounting to **GH¢2,180,400** has been proposed for the year ended 31 December 2009. (2008: GH¢0.0085 per share, amounting to GH¢1,787,042)

EVENTS AFTER THE COMPREHENSIVE STATEMENT OF AFFAIRS DATE

The Directors confirm that no matters have arisen since December 31, 2009, which materially affect the financial statements of the company for the year ended on that date.

.....Director

.....Director

ACCRA

..... **2010.**

GHANA OIL COMPANY LIMITED
COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	<i>Notes</i>	2009 GH¢	2008 GH¢
Gross Revenue		421,542,111	438,863,961
Customs Duties and Levies		(45,967,900)	(65,661,774)
Net Revenue		375,574,211	373,202,187
Cost of Sales		(348,949,533)	(351,377,223)
Gross Profit		26,624,678	21,824,964
Sundry Income	3	2,387,312	1,885,011
Depot and Station Expenses	2a.	(4,911,926)	(4,276,509)
Selling & Administrative Expenses	2b.	(13,275,189)	(11,316,135)
Operating profit before financing cost		10,824,875	8,117,331
Net Finance Expenses	4	(4,001,102)	(2,620,749)
Profit before Taxation		6,823,773	5,496,582
Income Tax Expense	5	(1,556,270)	(1,239,905)
Net profit after tax attributable to equity holders of the company		5,267,503	4,256,677
Other Comprehensive Income			
Available -for-Sale Financial Assets net of tax	20	(80,000)	0
Deferred tax on revaluation	20	4,000	0
Total Other Comprehensive Income		(76,000)	0
Total Comprehensive Income for the year		5,191,503	4,256,677
Earning per share	29	GH¢0.025	GH¢0.020
Dividend per share	29	GH¢0.0104	GH¢0.0085

GHANA OIL COMPANY LIMITED
COMPREHENSIVE STATEMENT OF AFFAIRS
AS AT 31 DECEMBER 2009

	<i>Notes</i>	2009 GH¢	2008 GH¢
NON CURRENT ASSETS			
Property, Plant and Equipment	8a	25,958,656	22,224,317
Available for Sale Financial Instruments	9	1,327,234	1,407,234
TOTAL NON CURRENT ASSETS		27,285,890	23,631,551
CURRENT ASSETS			
Stocks	10	5,911,106	7,470,026
Accounts Receivable	11	54,313,163	60,448,227
Short Term Investment	12	0	1,083,012
Cash and Bank Balances	13	12,200,376	7,123,630
TOTAL CURRENT ASSETS		72,424,645	76,124,895
TOTAL ASSETS		99,710,535	99,756,446
EQUITY			
Stated Capital	17	11,809,263	11,809,263
Building Fund	18	418,725	260,700
Income Surplus	19	12,230,167	8,907,731
Capital Surplus	20	4,552,805	4,666,759
TOTAL EQUITY		29,010,960	25,644,453
NON CURRENT LIABILITIES			
Deferred Tax	7b	135,864	(65,542)
Term Loan	16b	1,354,166	12,611,541
TOTAL NON CURRENT LIABILITIES		1,490,030	12,545,999
CURRENT LIABILITIES			
Bank Overdraft	13	9,613,292	4,392,799
Accounts Payable	14	53,541,521	53,452,474
Short Term Loan	16c	5,660,134	3,241,097
Current Tax	7a	394,599	479,624
TOTAL CURRENT LIABILITIES		69,209,546	61,565,994
TOTAL LIABILITIES		70,699,575	74,111,993
TOTAL EQUITY AND LIABILITIES		99,710,535	99,756,446

Approved by the Board on.....2010

.....Director

.....Director

GHANA OIL COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

2009	Stated Capital GH¢	Building Fund GH¢	Income Surplus GH¢	Capital Surplus GH¢	Totals GH¢
Balance at 1 January	11,809,263	260,700	8,907,731	4,666,759	25,644,453
Net profit for the year	0	0	5,267,503	0	5,267,503
Transfer to Building Fund	0	158,025	(158,025)	0	0
Revaluation Loss on Available for Sale Investments	0	0	0	(80,000)	(80,000)
Deferred tax on capital surplus	0	0	0	(33,954)	(33,954)
Dividend paid	0	0	(1,787,042)	0	(1,787,042)
Balance at 31 December	11,809,263	418,725	12,230,167	4,552,805	29,010,960
2008					
Balance at 1 January	11,809,263	133,000	6,250,245	4,455,859	22,648,367
Net profit for the year	0	0	4,256,677	0	4,256,677
Transfer to Building Fund	0	127,700	(127,700)	0	0
Revaluation Gain on Available for Sale Investments	0	0	0	210,900	210,900
Dividend paid	0	0	(1,471,491)	0	(1,471,491)
Balance at 31 December	11,809,263	260,700	8,907,731	4,666,759	25,644,453

GHANA OIL COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 GH¢	2008 GH¢
Cash flow from operating activities		
Operating Profit	6,823,773	5,496,582
Adjustment for:		
Depreciation Charges	2,786,757	2,279,090
Profit on sale of tangible fixed assets	(25,780)	(178,750)
Interest and Dividend Received	(478,174)	(255,922)
Interest Paid	4,479,276	2,876,671
	6,762,079	4,721,089
Operating Profit Before Working Capital Changes	13,585,852	10,217,671
Decrease/(Increase) in Stocks	1,558,920	(1,187,365)
Decrease/(Increase) in Debtors	6,135,064	(12,626,719)
Increase in Creditors	89,047	18,702,402
	21,368,883	15,105,989
Company Tax Paid	(1,473,844)	(1,115,764)
Net Cash Inflow from Operating activities	19,895,039	13,990,225
Cash flows from Investing activities		
Interest and Dividend Received	478,174	255,922
Interest paid	(4,479,276)	(2,876,671)
Acquisition of Tangible Fixed Assets	(6,526,816)	(6,432,199)
Receipt from sale of Tangible Fixed Assets	31,500	206,067
	(10,496,418)	(8,846,881)
Net Cash Inflows Before Financing	9,398,621	5,143,344
Cash flows from Financing Activities		
Term Loan Paid	(10,077,636)	(2,289,061)
Medium Term Loan	1,239,298	1,909,078
Dividend paid	(1,787,042)	(1,471,491)
	(10,625,380)	(1,851,474)
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,226,759)	3,291,870
Cash and Cash Equivalents at 1 January	3,813,843	521,973
Cash and Cash Equivalents at 31 December	2,587,084	3,813,843
Cash and Cash Equivalents		
Cash at Bank and in Hand	12,200,376	7,123,630
Short Term Investment	0	1,083,012
Bank Overdraft	(9,613,292)	(4,392,799)
	2,587,084	3,813,843

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

2.a DIRECT, DEPOT AND STATION EXPENSES

Includes depreciation - **GH¢2,397,382** (2008 - GH¢1,987,047)

b. SELLING AND ADMINISTRATION EXPENSES

	2009	2008
	GH¢	GH¢
Depreciation	389,375	292,043
Directors' Fees & Expenses	326,560	282,762
Auditors' Remuneration	45,000	40,000
Donations	85,463	57,411
	2,397,382	1,987,047

3. SUNDRY INCOME

Throughput Income	250,111	463,841
Exchange Gain	521,352	261,457
Contractors Registration	1,260	5,450
Miscellaneous Income	222,619	254,676
Various Rent	463,185	488,808
Sale of Materials	796	5,389
Discounts Received	49,140	72,303
Penalties on Customers Dishonored Cheques	172,641	154,337
Provision no longer required	680,428	0
Profit on Sale of Property, Plant and Equipment	25,780	178,750
	2,387,312	1,885,011

4. NET FINANCE EXPENSES

Interest Income	478,174	255,922
Bank, loan interest and Other Finance Charges	(4,479,276)	(2,876,671)
	(4,001,102)	(2,620,749)

5. TAXATION

Current Tax	1,388,819	1,512,018
Deferred Tax	167,452	(272,113)
	1,556,270	1,239,905

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	GH¢	GH¢
6. RECONCILIATION OF EFFECTIVE TAX		
Profit before tax	6,823,773	5,496,582
Tax at applicable tax rate at 22%	1,501,230	1,209,248
Tax effect of non-deductible expenses	970,228	882,983
Tax effect of non-chargeable income	(457,703)	(151,487)
Tax effect of capital allowances	(624,937)	(428,727)
Origination/(reversal) of temporary differences	167,452	(272,113)
	1,556,270	1,239,905
Effective tax rate	22.81%	22.56%

7a. CURRENT TAX

	Balance at 1 January	Tax Paid/ Refund	Charge/Credit to P&L	Balance at 31 December
	GH¢	GH¢	GH¢	GH¢
Income Tax				
1992 - 2005	(397,800)	0	0	(397,800)
2006 & 2007	357,270	0	0	357,270
2008	396,254	0	0	396,254
2009	0	(1,473,844)	1,388,819	(85,025)
Sub Total	355,724	(1,473,844)	1,388,819	270,699
Rent Tax				
2001-2005	32,600	0	0	32,600
Sub Total	32,600	0	0	32,600
Capital Gains Tax				
1994-2005	91,300	0	0	91,300
Sub Total	91,300	0	0	91,300
Grand Total	479,624	(1,473,844)	1,388,819	394,599

The amount provided for Income Tax is calculated at the rate of 22% of the Adjusted Profit and is subject to agreement with Internal Revenue Service.

7b. DEFERRED TAXATION

Balance at 1 January	(65,542)	206,571
Charge to P & L for the year	167,452	(272,113)
Charge to Capital Surplus	33,954	0
Balance at 31 December	135,864	(65,542)

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 22% (2008 - 22%).

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

8a PROPERTY, PLANT AND EQUIPMENT

2009

	F'HOLD LAND & BUILDINGS	L'SEHOLD LAND & BUILDINGS	PLANT MACH. & EQUIP.	MOTOR VEHICLES	FURN. & EQUIP.	COMPUTERS & ACCESS.	CAPITAL WORK IN PROGRESS	TOTAL
Cost / Valuation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 01.01.09	13,004	15,314,926	16,828,966	2,064,540	1,245,350	0	4,819,974	40,286,760
Additions during the year	0	24,500	1,740,263	185,077	176,149	78,484	4,322,343	6,526,816
Transfers during the year	0	6,595,770	130,513	0	(148,865)	148,865	(6,726,283)	0
Disposals during the year	0	0	(28,600)	0	0	0	0	(28,600)
Balance at 31.12.09	13,004	21,935,196	18,671,142	2,249,617	1,272,634	227,349	2,416,034	46,784,976
Depreciation								
Balance at 01.01.09	5,078	1,813,294	13,880,161	1,669,409	694,501	0	0	18,062,443
Charges during the year	260	548,379	1,848,743	216,831	112,983	59,561	0	2,786,757
Transfers during the year	0	0	0	0	(83,565)	83,565	0	0
Disposal during the year	0	0	(22,880)	0	0	0	0	(22,880)
Balance at 31.12.09	5,338	2,361,673	15,706,024	1,886,240	723,919	143,126	0	20,826,320
Net Book Value								
31 December 2009	7,666	19,573,523	2,965,118	363,377	548,715	84,223	2,416,034	25,958,656
31 December 2008	7,926	13,501,632	2,948,805	395,131	550,849	0	4,819,974	22,224,317

Fixed Assets were valued in 1985 and 1988. Landed properties, Furniture and equipment, Plant, machinery and equipment were again revalued in December 1999 and in December 2000 on Open Market basis by Owusu Adjapong and Company and messrs Propicon.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

8b PROPERTY, PLANT AND EQUIPMENT

2008	F'HOLD LAND & BUILDINGS	L'SEHOLD LAND & BUILDINGS	PLANT MACH. & EQUIP.	MOTOR VEHICLES	FURN. & EQUIP.	CAPITAL WORK IN PROGRESS	TOTAL
Cost / Valuation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 01.01.08	13,004	10,448,151	15,283,503	2,200,223	1,118,723	4,963,411	34,027,015
Additions during the year	0	105,180	1,434,260	0	126,627	4,766,132	6,432,199
Transfers during the year	0	4,798,366	111,203	0	0	(4,909,569)	0
Disposals during the year	0	(36,771)	0	(135,683)	0	0	(172,454)
Balance at 31.12.08	<u>13,004</u>	<u>15,314,926</u>	<u>16,828,966</u>	<u>2,064,540</u>	<u>1,245,350</u>	<u>4,819,974</u>	<u>40,286,760</u>
Depreciation							
Balance at 01.01.08	4,818	1,468,111	12,275,328	1,589,870	590,315	0	15,928,442
Charges during the year	260	381,954	1,604,833	187,857	104,186	0	2,279,090
Disposal during the year	0	(36,771)	0	(108,318)	0	0	(145,089)
Balance at 31.12.08	<u>5,078</u>	<u>1,813,294</u>	<u>13,880,161</u>	<u>1,669,409</u>	<u>694,501</u>	<u>0</u>	<u>18,062,443</u>
Net Book Values							
31 December 2008	7,926	13,501,632	2,948,805	395,131	550,849	4,819,974	22,224,317
31 December 2007	8,186	8,980,040	3,008,175	610,353	528,408	4,963,411	18,098,573

Fixed Assets were valued in 1985 and 1988. Landed properties, Furniture and equipment, Plant, machinery and equipment were again revalued in December 1999 and in December 2000 on Open Market basis by Owusu Adjapong and Company and Messrs Propicon.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 GH¢	2008 GH¢
9. AVAILABLE FOR SALE FINANCIAL INSTRUMENTS		
Ghana Bunkering Services Ltd.	222,278	222,278
Ghana Fertilizer Company	2	2
Total (Ghana) Ltd.	680,000	760,000
Tema Lube Oil Company Ltd.	10,954	10,954
Metro Mass Transit Company Limited	414,000	414,000
	1,327,234	1,407,234
Available for sale financial instruments of the above companies are made up of equity shares.		
10. STOCKS & GOODS IN TRANSIT		
Trading : Gas Cookers & parts	78,074	380,848
Fuel	9,750	33,835
Lubricants	4,813,751	4,469,340
L.P. Gas	58,376	116,783
	4,959,951	5,000,806
Non Trading : Materials	943,856	2,469,220
	5,903,807	7,470,026
Goods in Transit	7,299	0
	5,911,106	7,470,026
11. ACCOUNTS RECEIVABLE		
Trade Receivable	42,221,068	48,393,111
Oil Marketing Companies	70,788	70,788
Other Receivable	11,194,481	11,812,446
Staff Receivable	557,440	636,165
Prepayments	457,824	367,433
	54,501,601	61,279,943
Less: Provision for Bad & Doubtful Debts	(188,438)	(831,716)
	54,313,163	60,448,227
The maximum amount owed by the staff did not at one particular time exceed : 2009 GH¢557,440 (2008: GH¢636,165)		
Prepayments - This represents the unexpired portion of certain expenditure spread on a time basis.		
12. SHORT TERM INVESTMENT		
This represents Investment in HFC Unit Trust.		
Balance at 1 January	1,083,012	1,355,545
Additions during the year	0	1,000,000
Disinvestment during the year	(1,083,012)	(1,355,545)
Add ; Interest Earned during the year	0	83,012
	0	1,083,012
Balance at 31 December	0	1,083,012
13. CASH AND BANK BALANCES		
Current Account	12,176,182	7,094,335
Cash in Hand	24,194	29,295
	12,200,376	7,123,630

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 GH¢	2008 GH¢
14. BANK OVERDRAFT		
Ghana Commercial Bank Limited	2,662,687	179
First Atlantic Merchant Bank Limited	391,417	47,665
Prudential Bank Ghana Limited	1,559,665	302,909
Standard Chartered Bank Ghana Limited	0	3,192,340
Ecobank Limited	4,993,863	849,698
Barclays Bank Ghana Limited	5,660	8
	9,613,292	4,392,799

Ghana Commercial Bank

The company has an overdraft facility of GH¢5,000,000 with Ghana Commercial Bank to finance the company's working capital (stocks and receivables). Interest rate is at 16% per annum or any other rate to be determined by the Bank from time to time. The facility is secured by a Negative Pledge over the assets of the company estimated at GH¢22.0 million (NBV December 2008). The facility is to expired on 31 August 2010.

First Atlantic Merchant Bank Limited

The company has an overdraft facility of GH¢1,500,000 with the bank to support working capital requirements. Interest rate is at 28.5% per annum, however a penal rate of 3.5% per annum shall be chargeable when the limit is exceed. The facility is secured by Clean (Negative Pledge) over fixed assets of the company. The facility expires on 30 November 2010.

Prudential Bank Limited

The company has an overdraft facility of GH¢1,500,000 with Prudential Bank Limited to supplement the company's resources for its oil marketing operations. Interest rate is at 28% (the bank's Base rate of 30% minus 2%). The facility is secured by an existing Negative Pledge over the company's assets, made in of the bank. The facility expired on 31 December 2010.

Standard Chartered Bank

The company has an overdraft facility of GH¢4,000,000 with the bank to provide revolving Short term advances to meet operating expenses such as fuel purchases and other operational requirements. The rate of interest is at the bank's base rate (currently 27.7%) per annum compounded monthly and is to be reviewed periodically in line with trends on the local money market. The facility is secured by Negative Pledge over fixed assets of the company, and is to expired on 12 month after date of disbursement.

Ecobank Ghana Limited

The company has an overdraft facility of GH¢5,000,000 with Ecobank Ghana Limited to finance the company's working capital (inventory and receivables) and the payment of operational bills. Interest rate is at the bank's base rate (currently 29.50% per annum) minus 4%, payable monthly in arrears. The facility expired on August 31, 2010 and is secured by a Clean Negative Pledge over the company's assets.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 GH¢	2008 GH¢
15. ACCOUNTS PAYABLE		
Trade Payable	46,152,768	44,669,611
Other Payable	5,588,901	6,361,345
Accruals	1,799,852	2,421,518
	53,541,521	53,452,474
16a TERM LOAN		
Balance as at 1 January	15,852,638	16,232,621
Interest due for the year	0	375,744
Interest paid during the year	(741,096)	(205,728)
Exchange Loss	1,239,298	1,533,334
Loan repayment	(9,336,540)	(2,083,333)
	7,014,300	15,852,638
16b LONG TERM PORTION		
Medium Term Loan	1,354,166	5,416,666
Exchange Loss	0	1,533,334
Government of Ghana	0	5,661,541
	1,354,166	12,611,541
16c SHORT TERM PORTION		
Government of Ghana	3,170,836	741,097
Exchange Loss on GOG Loan	1,239,298	0
Medium Term Loan	1,250,000	2,500,000
	5,660,134	3,241,097

- a)** The Government of Ghana Loan (Goil Subsidiary Loan) is rescheduled and repayable in seven (7) years with four years grace period commencing 2004. Interest is payable on the principal amount at a rate equal to 1.1 times the prevailing interest rate applicable to Bank (IBRD) Loan. Interest is payable semi-annually on May 15 and November 15 in each year.
- b)** The Company has been granted a Medium Term Loan of GH¢10,000,000 by Barclays Bank and Ghana Commercial Bank of GH¢5,000,000 each, to finance the construction of new service stations, rehabilitate existing stations and construct new LP Gas plants. Both facilities are payable over a period of 60 months from date of disbursement with 12 months moratorium on both principal and interest. The interest rate is at Base rate minus 3.25% and 16% respectively for the Banks, and the facilities are secured by Negative Pledge over all assets of the company.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
17. STATED CAPITAL		
Number of authorised shares	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Total number of issued shares	<u>210,186,240</u>	<u>210,186,240</u>
	GH¢	GH¢
Issued for Cash	5,000,200	5,000,200
issued on consideration other than cash	6,559,263	6,559,263
Issued on Transfer from Surplus	249,800	249,800
	<u>11,809,263</u>	<u>11,809,263</u>

There is no unpaid liability on any share and there are no shares in treasury.

18. BUILDING FUND

This is an amount set aside from profits for the construction of Head Office Building.

	2009	2008
	GH¢	GH¢
Balance at 1 January	260,700	133,000
Transfer from Income Surplus	158,025	127,700
Balance at 31 December	<u>418,725</u>	<u>260,700</u>

19. INCOME SURPLUS

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

20. CAPITAL SURPLUS

This is surplus arising from the revaluation of property, plant and equipment in 1985, 1988 and 2000 by Owusu-Adjapong and Company and Messrs Propicon.

It also includes gains arising from the revaluation of available for sale financial assets as a result of the adoption of International Financial Reporting Standards.

	Available-for- sale Fin. Asset GH¢	Revaluation surplus GH¢	2009 GH¢	2008 GH¢
Balance at 1 January 2009	760,000	3,906,759	4,666,759	4,455,859
Revaluation	(80,000)	0	(80,000)	210,900
Deferred tax current year	4,000	0	4,000	0
Deferred tax prior year	(37,954)	0	(37,954)	0
	<u>646,046</u>	<u>3,906,759</u>	<u>4,552,805</u>	<u>4,666,759</u>

21. DIVIDEND

Final Dividend paid was GH¢0.0085 per Share (2008 GH¢0.0070 per Share) Payments during the year	1,787,042	1,471,491
	<u>(1,787,042)</u>	<u>(1,471,491)</u>
	<u>0</u>	<u>0</u>

A final dividend of **GH¢0.0104** per share amounting to **GH¢2,180,400** has been proposed for the year ended 31 December 2009. (2008: GH¢0.0085 per share, amounting to GH¢1,787,042)

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

22 FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks from its use of financial instruments;

- ^ Credit risk
- ^ Liquidity risk
- ^ Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established the Audit and Finance committee, which are responsible for developing and monitoring the company's risk management policies in their specified areas. The team includes selected members of executive management and report regularly to the Board of Directors on their activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations

The company's Audit and Finance Committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of risk management framework in relation to the risks faced by the company. This committee is assisted in these functions by a risk management structure in all the units of the company which ensures a consistent assessment of risk management control and procedures.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Trade and other receivables

The company's exposure to credit risk is minimised as all sales are made to one individual customer. The company has transacted business with this customer over the years, there has not been much default in payment of outstanding debts.

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of risk and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for homogeneous assets in respect of losses that have been incurred but not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	2009	2008
	GH¢	GH¢
Available for sale Financial Assets	1,327,234	1,407,234
Loans and Receivables	54,313,163	60,448,227
Cash and Cash Equivalents	12,200,376	7,123,630
	<u>67,840,773</u>	<u>68,979,091</u>

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was;

Public Institutions	<u>42,291,856</u>	<u>48,463,899</u>
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Impairment Losses

	2009		2008	
	Gross	Impairment	Gross	Impairment
	GH¢	GH¢	GH¢	GH¢
Past due after 0 - 180 days	<u>42,291,856</u>	<u>0</u>	<u>48,463,899</u>	<u>0</u>

The movement in the allowance in respect of trade receivables during the year was as follows

	2009	2008
	GH¢	GH¢
Balance at 1 January	42,291,856	48,463,899
Impairment loss recognised	(188,438)	(831,716)
Balance at 31 December	<u>42,103,418</u>	<u>47,632,183</u>

Based on historical default rates, the company believes that no impairment is necessary in respect of trade receivables past due up to 180 days.

Liquidity risk

Liquidity risk is the risk that the company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

The following are contractual maturities of financial liabilities;

31 December 2009

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH¢	GH¢	GH¢	GH¢
Secured bank loans	7,014,300	5,035,134	625,000	1,354,166
Trade and other payables	53,541,521	53,541,521	0	0
Bank overdraft	9,613,292	9,613,292	0	0
Balance at 31 December 2009	70,169,113	68,189,947	625,000	1,354,166

31 December 2008

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH¢	GH¢	GH¢	GH¢
Secured bank loans	15,852,638	1,250,000	1,991,097	12,611,541
Trade and other payables	53,452,474	53,452,474	0	0
Bank overdraft	4,392,799	4,392,799	0	0
	73,697,911	59,095,273	1,991,097	12,611,541

Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The company is exposed to currency risk as there are transactions and balances denominated in currencies other than the functional currency.

Interest rate risk

Profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was;

	Carrying amount	
	2009	2008
Variable rate instrument	GH¢	GH¢
Financial liabilities	16,627,592	20,245,437

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2009 and also at 31 December 2008

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

23 FAIR VALUES

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet are as follows;

	31 December 2009		31 December 2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	GH¢	GH¢	GH¢	GH¢
<i>Loans and Receivables</i>				
Trade and Other Receivables	54,313,163	54,313,163	60,448,227	60,448,227
Cash and Cash Equivalents	12,200,376	12,200,376	7,123,630	7,123,630
Short Term Investments	0	0	1,083,012	1,083,012
	66,513,539	66,513,539	68,654,869	68,654,869
<i>Available for Sale</i>				
Long Term Investment	1,327,234	1,327,234	1,407,234	1,407,234
<i>Other Financial Liabilities</i>				
Secured Bank Loan	7,014,300	7,014,300	15,852,638	15,852,638
Trade and Other Payables	53,541,521	53,541,521	53,452,474	53,452,474
Bank Overdraft	9,613,292	9,613,292	4,392,799	4,392,799
	70,169,113	70,169,113	73,697,911	73,697,911

24 CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the balance sheet date and at 31 December 2009.

25 EMPLOYEE BENEFITS

Deferred Contribution Plans

Social Security

Under a National Deferred Benefit Pension Scheme, the company contributes 12.5% of employee basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pension. The company's obligation is limited to the relevant contribution, which were settled on due dates. The pension liabilities and obligations however, rest with SSNIT.

Provident Fund

The company has a provident fund schemes for the staff under which the company contribute a total of 10% of staff basic salary. The obligation under the plan is limited to the relevant contribution and these are settled on the dates to the fund manager.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

26. TWENTY LARGEST SHAREHOLDERS

Shareholders	Number of Shares	Percentage Holding (%)
1 GOVERNMENT OF GHANA	107,408,019	51.10
2 SOCIAL SECURITY & NATIONAL INSURANCE TRUST	38,916,529	18.52
3 GOIL EMPLOYEE SHARE OWNERSHIP PLAN	9,259,312	4.41
4 BBGN/BARCLAYS RE AFRICAN ALLIANCE	1,956,238	0.93
5 EBG SECURITIES TRADING ACCOUNT	1,827,147	0.87
6 MR. D. OFORI	1,589,282	0.76
7 PLC/PORTFOLIO	998,110	0.47
8 BBGN/BBH CUST BBHTSIA	829,108	0.39
9 ESL MAIN	701,948	0.33
10 BBGN/ELAC POLICY HOLDERS	426,641	0.20
11 DR. R. H. M. NANKA-BRUCE	425,321	0.20
12 MERBAN STOCKBROKERS PORTFOLIO	413,250	0.20
13 SIC LIFE BUSINESS	367,877	0.18
14 DONEWELL LIFE COMPANY LIMITED	320,156	0.15
15 GHANA COCOA BOARD	250,351	0.12
16 SIC GENERAL BUSINESS	250,351	0.12
17 MR. S. AKELLA	237,830	0.11
18 BBGN / BARCLAYS MAURITIUS RE KAS	235,000	0.11
19 GLICO GENERAL INSURANCE CO. LTD.	223,575	0.11
20 BBGN/BARCLAYS MAURITIUS	221,772	0.11
	166,857,817	79.39

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

27. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	11,020	6,361,416	3.03
1,001 - 5,000	4,072	11,306,774	5.38
5,001 - 10,000	653	5,777,661	2.75
10,001 - 50,000	614	13,816,408	6.57
50,001 - 999,999,999	92	172,923,981	82.27
		210,186,240	100.00

28. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES
MR. YAW AGYEMANG-DUAH	15,000
	15,000

29. NUMBER OF SHARES IN ISSUE

Earning, Dividend per share are based on **210,186,240**, (2008; 210,186,240)

GHANA OIL COMPANY LIMITED
SCHEDULE TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 GH¢	2008 GH¢
GROSS SALES	421,542,111	438,863,961
Customs, Duties and Levies	(45,967,900)	(65,661,774)
NET SALES	375,574,211	373,202,187
COST OF SALES		
Stock - 1 January	5,000,806	3,124,812
Purchases	346,948,251	353,253,217
	351,949,057	356,378,029
Less ; Stock at 31 December	(2,999,524)	(5,000,806)
	348,949,533	351,377,223
GROSS PROFIT	26,624,678	21,824,964
DEPOT AND STATION EXPENSES		
Ground Rent	177,867	134,736
Maintenance of Installations	1,520,311	889,819
Survey fees	2,380	1,807
Vehicle Maintenance	752,258	1,198,044
Water and Electricity	61,728	65,056
Depreciation;		
Plant and Machinery	1,848,743	1,604,833
Leasehold Land	548,379	381,954
Freehold Land	260	260
TOTAL DEPOT AND STATION EXPENSES	4,911,926	4,276,509

GHANA OIL COMPANY LIMITED
SCHEDULE TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

SELLING AND ADMIN. EXPENSES	2009	2008
	GH¢	GH¢
STAFF COST		
Salaries and Wages	4,623,311	3,675,843
Social Security Fund	545,322	443,831
Overtime	61,618	51,055
Trip Bonus	795	1,056
Casual Labour	51,517	43,262
Annual Bonus	163,915	238,009
Canteen Subsidy	211,977	173,578
Incentive Bonus	388,404	320,043
Severance Pay (End of Service Benefit)	422,378	749,207
Other Allowances	53,794	110,076
Training Expenses	92,710	116,924
Medical Expenses	354,293	202,915
Out of Station Expenses	171,428	124,475
Long Service Award	31,158	22,619
Staff Welfare	46,342	33,807
Balance c/f	7,218,962	6,306,700

GHANA OIL COMPANY LIMITED
SCHEDULE TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	GH¢	GH¢
Balance b/f	7,218,962	6,306,700
Postage & Telephones	203,578	248,960
Advertising & Sales Promotion	1,061,760	947,808
Subscription	53,491	36,192
Printing & Stationery	72,377	64,776
Uniforms	4,276	1,111
Legal & Professional Charges	114,821	187,528
Audit Fees	45,000	40,000
Directors' Fees and Expenses	326,560	282,762
Security Services	180,802	177,938
Entertainment	33,068	21,989
Donations	85,463	57,411
Repairs & Cleaning	512,703	226,407
Electricity	40,962	147,210
Exchange Loss	168,385	0
Water	5,528	10,482
Various Toll and Licenses	184,296	93,211
Sundry Expenses	9,653	7,373
Equipment Hiring	3,235	6,936
Depreciation - Furniture, Computers & Motor Vehicle	389,375	292,043
Provision for Bad Debts	37,150	79,000
Industry Coordination Fees	9,996	983
Exchange Loss IDA Loan	1,239,298	1,533,334
Rent and Rates	72,509	66,887
Insurance	136,617	137,974
Overseas/Air Travel	96,810	211,568
Debt Recovery Expenses	80,206	0
Bad Debt Written off	680,428	0
Goil Advantage E-Card	35,634	0
AGM Expenses	172,246	129,552
SELLING & ADMINISTRATIVE EXP.	13,275,189	11,316,135
TOTAL EXPENSES	18,187,115	15,592,644