2014 ANNUAL REPORT AND FINANCIAL STATEMENTS

GOIL

Good energy

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Company Information

BOARD OF DIRECTORS	Prof. William A. Asomaning	– Chairman
	Mr. Patrick Akpe Kwame Akorli	– Managing Director
	Hon. Nii Laryea Afotey-Agbo	– Member
	Nana Esuman Kwesi Yankah	– Member
	Mr. Eugene Akoto-Bamfo	– Member
	Mr. Chris A-Ackummey	– Member
	Mad. Faustina Nelson	– Member
	Mr. Thomas Kofi Manu	– Member
	Hon. Kojo Bonsu	– Member
SECRETARY	Mr. Stephen Y. Gyaben	
AUDITORS	PKF Chartered Accountants Farrar Avenue P.O. Box GP 1219 Accra	
REGISTERED OFFICE	D 659/4, Kojo Thompson Road, P.O. Box GP 3183, Accra.	
BANKERS	GCB Bank Limited Standard Chartered Bank Barclays Bank of Ghana Limited Ecobank Ghana Limited Universal Merchant Bank Limited Agricultural Development Bank Limited Prudential Bank Limited Zenith Bank Ghana Limited First Atlantic Merchant Bank Ghana Limited National Investment Bank Ghana Limited Societe Generale Bank Ghana Limited Stanbic Bank Ghana Limited United Bank for Africa	

Notice of 46th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of the Shareholders of Ghana Oil Company Limited will be held at the Auditorium, College of Physicians and Surgeons, Ridge, Accra on Thursday, 30th April, 2015 at 11:00 am for the transaction of the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and consider the reports of the Directors and the Auditors and the Financial Statements of the Company for the year ended December 31, 2014.
2. To declare a dividend for the year ended December 31, 2014.
3. To elect Directors to replace retiring Directors.
4. To re-elect Directors retiring by rotation.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To fix the remuneration of the Directors.

SPECIAL BUSINESS:

7. To authorise the Company to purchase and or hold from time to time as and when it deems it prudent such number of its own ordinary shares.

Dated this 9th day of March, 2015.
BY ORDER OF THE BOARD

S.Y. GYABEN, ESQ.
Company Secretary

A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. Completed proxy forms should be deposited at the Registered Office, D659/4, Kojo Thompson Road, P.O. Box, GP 3183, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the 48 hours deadline will result in the Proxy not being admitted to or participating in the meeting. A Form of Proxy to be used is enclosed herewith.

Resolutions to Be Passed at The Annual General Meeting

The Board of Directors will be proposing the following resolutions, which will be put to the Annual General Meeting

1. To Receive the 2014 Accounts
   The Board shall propose the acceptance of the 2014 Accounts as the true and fair view of the state of affairs of the Company for the year ended 31st December, 2014 and of its performance for the year then ended.

2. To Declare a Dividend
   The Directors recommend the payment of a dividend of Gh¢0.020 per share amounting to GH¢5,044,469.76 for the year ended 31st December 2014.

3. To Elect Directors to Replace Retiring Directors
   Two members of the Board, Hon. Kojo Bonsu and Hon. Nii Laryea Afortey-Agbo will retire from office.

   The following persons are to be elected to replace the retiring Directors:
   - Alhaji Abdul Razak El-Alawa
   - Mr. Damian Yelbonkang Zaato

4. To Re-elect Directors Retiring by Rotation
   In accordance with Section 298 (a, b & d) of the Companies Act 1963, Act 179 and Regulation 88 of the Company's Regulations the following Directors who are retiring by rotation but are eligible for re-election shall be re-elected as Directors:
   - Mr. Chris A-Ackummey
   - Mr. Thomas Kofi Manu
   - Mr. Eugene Akoto-Bamfo

5. To Authorise the Directors to Fix the Remuneration of the Auditors
   In accordance with Section 134 (6a) and Section 134 (11a) of the Companies Act 1963, Act 179, Messrs Pannell Kerr Forster will continue in office as Auditors of the Company. The Board will request from members their approval to fix the remuneration of the Auditors.

6. To Fix the Remuneration of the Directors
   The Board will request from members their approval to fix the remuneration of the Directors.

7. To authorise the Company to purchase its own shares
   Subject to part IX, Sections 68-73 of the GSE Rules; Sections 59-63 & 70 of t he Companies Act 1963, Act 179 and in compliance with all applicable rules and regulations, the Company is hereby authorised to the fullest extent permitted by law to purchase and/or hold from time to time as when it deems prudent, such number of its own ordinary shares as may be determined by the directors upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- The maximum number of shares which may be purchased and/ or held by the Company at any point in time shall not exceed 15% of the total issued shares.
- The maximum amount of funds to be allocated for this purpose shall not exceed the funds available in its Income Surplus Account as at December 31, 2014 in pursuant of Section 63 of the Companies Act 1963.

Reasons for Purchase

The proposed purchase of its own shares shall seek to absorb the shares put on sale by retail investors who may cause unwarranted price volatility to the downside to protect long-term investors from these fluctuations subject to the terms that:

- The investment in the Company's shares at that point in time is the most prudent investment of its funds in consideration with other available investment opportunities.
- The purchase delivers the highest value to shareholders.
- The authority for the purchase of its own shares shall remain in effect until further notice.

Maximum Number of Shares

The maximum number of shares that can be purchased under this scheme shall be 15% of the issued shares of the Company.

Profile of New Directors to be Elected

1. ALHAJI ABDUL RAZAK EL-ALAWA

Alhaji Abdul Razak El-Alawa is 70 years old and is a Journalist by profession. He completed the University of Ghana, Legon in 1970 with a B.A. (Hons) Degree in History. He also obtained a Post Graduate Diploma (Journalism & Communication) in 1973 from the same University.
Alhaji El-Alawa was a tutor at Konongo/Odumasi Secondary School from 1970 – 1972 and also taught at Presbyterian Boys Secondary School, Legon from 1972-1974.
In 1974, he joined the Graphic Corporation as a staff writer of the Daily Graphic newspaper and rose to be the Regional Editor, Northern/Upper Regions of the Daily Graphic from 1975 – 1979. From 1979 – 1981, he was appointed as the Press Secretary, Office of the President of the Republic of Ghana.

Alhaji El-Alawa also had some working experience in Nigeria from 1983 – 1996. The positions he held in Nigeria included the following:

- Head, National Youth Service Corps, Lagos
- Head of Rewrite Desk, Daily Times of Nigeria, Lagos
- Editor, The Herald, Ilorin, Kwara State

He won the journalist of the Year Award for 1975, 1976 & 1978
He was also the Editor-In-Chief of "The New Ghanaian" and Editor of "The Ghanaian Democrat". He is currently the Chief Executive Officer of Elzak Media Consult – a firm of PR, Advertising and Marketing Practitioners.
Alhaji serves on the Governing Boards of West Africa Senior High School and Konongo Odumasi Senior High School.

He is a member of a number of Associations including the following:

- Ghana Journalist Association
- National President Old Vandals Association
- University of Ghana Alumni Council

2. MR. DAMIAN YELBONKANG ZAATO

Mr. Damian Yelbonkang Zaato is 63 years old and is an Accountant by profession. He graduated from the University of Ghana, Legon in 1976 with a B.Sc Admin (Accounting) Degree and holds an MBA (Finance & Banking) from the Indiana University, Bloomington ,Indiana. USA.
Mr. Zaato is also a Certified Public Accountant (Associate AICPA) USA. He has also attended various courses at the IMF, World Bank, European Central Bank and the West African Monetary Institute.

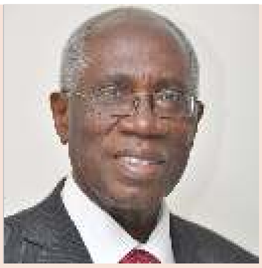
His work experience include the following:

- Upper Regional Development Corporation – Assistant Internal Auditor, 1977
- Bank for Housing and Construction, Credit Officer – 1977 – 1980
- Bloomington National Bank, USA – Financial Analyst – 1982 – 1986
- Bank of Ghana – 1986 – 2012

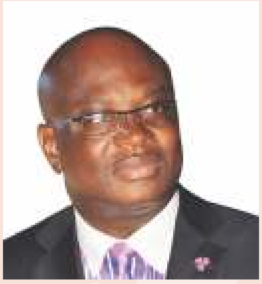
He retired from the Bank of Ghana in June 2012 after 26 years of service in various Departments and at the subsidiary company, Ghana Interbank Bank Payment (GHIPSS).
Mr. Zaato is currently the Acting Chief Executive Officer, QLAC Financial Trust Limited, a Corporate Trustee in the Pensions Industry.

He is also a Director of the Quality Life Insurance Company.

Board of Directors

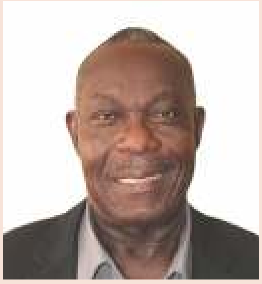


Prof. William A. Asomaning
Chairman

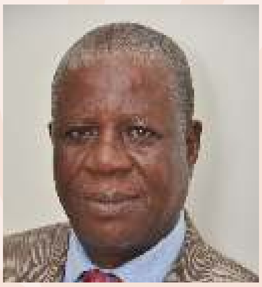


Hon. Kojo Bonsu
(Member)

Hon. Nii Laryea Afotey-Agbo
(Member)



Nana Esuman Kwesi Yankah
(Member)



Mr. Chris A-Ackummey
(Member)

Mad. Faustina Nelson
(Member)

Mr. Eugene Akoto-Bamfo
(Member)

Mr. Thomas Kofi Manu
(Member)

Mr. Patrick Akpe Kwame Akorli
(Managing Director)

Address by Chairman

Introduction

It is yet another year and I welcome you all to the 46th Annual General Meeting of Ghana Oil Company Limited (GOIL). Ladies and Gentlemen, thank you very much for honoring the invitation. I am happy to share with you the Company's good performance during the year 2014; it was a year in which a number of growth initiatives were made that are likely to immensely improve our financial standing within the next two years, thus ensuring a long-term stakeholder value creation.

Economic And Business Environment

The global economy again experienced slow growth during the year 2014. According to IMF's October 2014 World Economic Outlook report, unexpected developments, including weaker growth in the US, China and Europe led to a downward revision of the projected growth rate for 2014, from 3.7% as reported in the April 2014 edition of the World Economic Outlook, to 3.3%.

As expected Ghana experienced shocks in the economy resulting in a rise in inflation from 13.8% in January to 17% in December 2014. Subsequently the cedi depreciated against the dollar by 31.19 %, resulting in importation of lower-than-expected volume of fuel by Bulk Oil Distribution Companies (BDC) due to under-recovery and exchange losses. National consumption of fuel consequently fell by 2%.

Operating And Financial Performance

In addressing the shocks as mentioned above GOIL took the initiative to form its own Bulk Oil Distribution Company (BDC), by name GOENERGY Company Limited, with the objective of ensuring availability of fuel for our stations and ultimately stabilizing fuel supply in the country. The Company collaborated with Bulk Oil Storage and Transport (BOST) during this period and improved fuel supply during the last quarter of the year 2014. GOIL's competitors also benefited from this arrangement with BOST.

Achieving ISO 9001:2008 certification and construction of a fuel storage tank farm at Sekondi Naval Base to boost the bunkering business were major landmarks in the history of the Company. These achievements are to support the Company's efforts to win the custom of oil exploratory/production and mining companies. One major benefit of attaining the ISO Certification was strengthening internal control structures to guard company assets.

Also, 14 company-owned and 5 joint venture stations were added to the retail network, up from 185 at the beginning of the year to 204 stations at the end of the year 2014. As part of the Company's policy to maintain high standards at the forecourt, several existing stations were rehabilitated.

Despite the significant challenges in the economy, GOIL managed to execute its strategies very well precipitating in 6% increase in volume of sales (2014:539.633 million litres, 2013:514.265 million litres). The Company increased its gross margin from GHs 56.123 million in 2013 to GHs 88.116

million, up by 57%. Operating profit consequently went up by 48.6%. Growth in earnings per share was significant, from 0.055 to 0.080, up by 45% and the Company's assets went up from Gh¢221.9 million to Gh¢340.832 million, up by 54% all in one year.

Health, Safety, Security & Environment

At GOIL, safety is a core value. Operating safely is essential to delivering products to our customers. The principles that lead to safe operations also produce successful business results. The safety of our workforce and nearby communities is at the forefront of every decision we make. Through our management framework, we monitor, and measure every aspect of safety. Our goal is "No harm to Life and Property.

The progress achieved in respect of awareness of staff and contractors regarding Health, Safety, Security and Environment (HSSE) issues were sustained as evident in the continued improvement of housekeeping at our retail stations.

Safety inspections were carried out at LPG plants and Retail Stations throughout our network to identify hazards and subsequently rectify them to reduce the risks associated with the hazards.

The health of our staff was paramount as we undertook health walks and health talks to boost their immune system and prevent illnesses respectively.

The Company continued to sell environmentally friendly fuels (Super XP and Diesel XP) to reduce emissions and guarantee better mileage.

Corporate Social Responsibility (CSR)

By the end of the year 2014, GOIL had touched over 20,000 lives by providing portable water to their communities. It is always a pleasure to see the joy on the faces of community members during handover ceremonies.

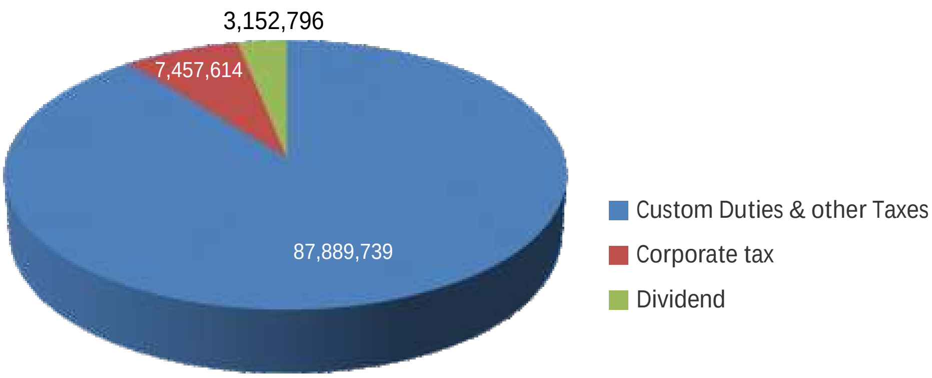
Within the year, 8 mechanized bore-hole projects were executed. The communities that benefitted were in the Brong Ahafo (3), Eastern (2), Central (2) and Western (1) Regions.

As part of its CSR programs, GOIL made donations to institutions of health, education and sports. The Company also provided support for cultural and social activities.

Address by Chairman cont'd

Financial Contributions To The Government

GOIL continues to honor its obligations to the government of Ghana as required. Various amounts paid to government are as illustrated below:



Future Prospects

There is clarity in the Company's growth path; we want to become the dominant Company in the downstream oil industry. As mentioned earlier a number of expansion strategies have been put in motion. The provision of aviation fuelling facility at Kumasi airport to enable the local airlines operate between Kumasi and other parts of Ghana, is to help GOIL consolidate its position in the local aviation market. Efforts towards gaining the custom of more mining, oil exploratory/production, road construction and shipping Companies will be intensified. As part of these efforts we will continue with capital investments in areas where there is potential for higher margins.

During the year 2014, shareholders gave the Company the mandate to undertake the Rights Issue. However, unexpected events in the economy delayed its implementation. We hope to implement it by the end of the second quarter of the year 2015 and encourage all to take advantage of this opportunity to increase their shares when the time comes.

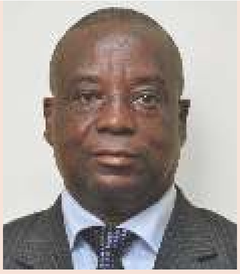
Acknowledgements

We would like to thank the various stakeholders for their immense contribution towards the success story we have today. Our sincerest gratitude to Ministry of Petroleum, Ministry of Finance, Ghana National Petroleum Corporation, Environmental Protection Agency, and National Petroleum Authority for providing guidelines in our operations throughout the year; We will forever remain grateful for the continued support of the entire shareholder family.

As Board Chairman I would like to thank the Management Team and all staff for creating congenial atmosphere for work to go on and for upholding the ideals of the company in the year to enable us realize our dreams. I cannot forget the solid support of my colleagues on the Board.

Thank you and God Bless us all.

Management Team



Mr Patrick Akpe Kwame Akorli
Managing Director

Mr. Kofi Nyarko
Health, Safety, Security & Environment Manager

Rev. Joseph Brian Ansah
Admin/HR Manager

Mr. Anthony Twumasi
Info. Tech. & Planning Manager

Mr. Samuel Tetteh Korboe
Chief Internal Auditor

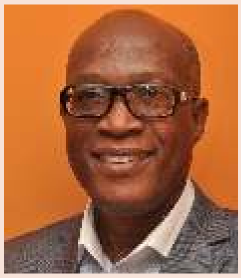
Mr. Alex Adzew
Fuels Marketing Manager

Mr. Cyril Opon
Corporate Affairs Manager

Mr. Erasmus Ofori Sarkwa
Finance Manager

Mr. Stephen Yaw Gyaben
Solicitor / Secretary

Mr Gyamfi Amanquah
Technical & Special Products Manager



Mr. Benjamin Torkornoo
Operations Manager

Report of the Directors on The Financial Statements

For The Year Ended 31 December 2014

In accordance with the requirements of section 132 of the Companies Act 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, 2014

Results Of Operations

	2014 GH¢	2013 GH¢
Gross Sales	1,634,919,213	1,082,583,510
Customs Duties and Levies	(87,889,739)	(76,956,013)
Net Sales	1,547,029,474	1,005,627,497
Profit for the year from which is deducted; provision for estimated income tax of	27,623,207 (7,457,614)	18,588,257 (4,825,426)
leaving a net profit after tax of	20,165,593	13,762,831
to which is added the income surplus brought forward from the previous year of	16,017,991	27,508,113
	36,183,584	41,270,944
Less		
final dividend paid; for 2013 at GH¢0.0160 per share (2012 at GH¢0.0150 per share)	(4,033,867)	(3,152,796)
transfer to building fund,	(1,008,280)	(688,142)
and gross transfer to stated capital of	0	(21,412,015)
	31,141,437	16,017,991

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 while the other 49% are owned by individuals and other corporate bodies.

Report of the Directors cont'd

DIRECTORS

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

Name		Date Appointed	
Prof. William A. Asomaning	Chairman	Appointed	16.07.2009
Mr. Thomas Kofi Manu	Member	Re-elected	25.07.2012
Mr. Eugene Akoto-Bamfo	Member	Re-elected	25.07.2013
Hon.Kojo Bonsu	Member	Re-elected	25.07.2013
Mr. Chris A-Ackummey	Member	Re-elected	25.07.2013
Hon. Nii Laryea Afotey-Agbo	Member	Re-elected	29.05.2014
Nana Esuman Kwesi Yankah	Member	Re-elected	29.05.2014
Mad. Faustina Nelson	Member	Re-elected	29.05.2014
Mr. Patrick Akpe Kwame Akorli	Managing	Appointed	01.06.2012

DIVIDEND

Final dividend of GH¢0.016 per share amounting to GH¢4,033,867 was paid during the year.

A final dividend of GH¢0.020 per share amounting to GH¢5,044,469.76 has been proposed for the year ended 31st December 2014. (2013: GH¢0.016 per share, amounting to Gh¢4,033,867)

EVENTS AFTER THE REPORTING DATE

The Directors confirm that no matters have arisen since December 31, 2014, which materially affect the financial statements of the company for the year ended on that date.

......................................*Director* ....*Director*

9th April, 2015

Corporate Governance

INTRODUCTION
Ghana Oil Company Limited acknowledges the importance of good corporate governance and is committed to the principles and implementation of same.

The Company believes in full disclosure in its operations and therefore adopts standard accounting practices (IFRS principles), and ensures good internal controls to facilitate the reliability of the financial statement.

BOARD OF DIRECTORS
The nine-member Board consists of eight (8) Non-Executive Directors who are responsible for ensuring that the highest standards of corporate governance are achieved in directing and controlling the Company's business. The ninth member who is the only Executive Director is also the Managing Director.

The Board was assisted in the discharge of its duties, by the under-mentioned committees which met frequently in between Board meetings:

APEX COMMITTEE
This Committee is made up of the Chairman, the Managing Director and one other member of the Board. They deal with policy and corporate strategy direction of the Company and make recommendations to the Board.

FINANCE, AUDIT AND REMUNERATION COMMITTEE
The Committee's function was to review and make recommendations to the Board on the Company's budgets, audited financial statements and regulatory conformance.

OPERATIONAL AND MARKETING COMMITTEE
The Committee assisted Management to review and consider operational and marketing strategies to propel the Company to prosperity, despite the competition in the Oil Industry.

GENERAL INTERNAL CONTROL
The Company upholds the importance of good corporate governance by investing in a well-structured Internal Audit Department. The department has an independent appraisal function which encompasses the examination and evaluation of the adequacy and effectiveness of the Company's system of internal controls.

The function of the department includes review of the reliability and integrity of the financial and operating reports as well as to ensure compliance with approved company policies, plans, procedures and regulations. The department undertakes pre and post expenditure audits to ensure value for money with regards to purchasing decisions. Reviewing the system for verifying the existence of, and safeguarding assets are also functions of the department.

PERFORMANCE MONITORING & EVALUATION
There is a monthly Management performance review process in place, during which actual corporate performance, especially in the areas of marketing, operations and finance is compared with budgets and targets.

Regarding marketing performance, the corporate results are compared also to industry-wide performance. The reports of such reviews are forwarded to the Board and/or its sub-committees for consideration.

Disclosure Requirements

Nature of Business
The Company is registered to carry on the business of marketing petroleum products and related products. There was no change in the nature of business of GOIL during the year.

Takeover measures
There were no anti-takeover transactions during the year.

Nature, type and elements of related-party transactions
There were no related party transactions during the year.

Alternative Accounting Decision
There were no alternative accounting decisions taken during the year.

Rules and procedures governing extraordinary transaction.
The Company did not have any extra ordinary transaction during the year.

Business Principles:
GOIL is an Oil Marketing Company, with industrial and commercial operations in petroleum products and lubricants in Ghana. Our growth is based on shared core values.

GOIL is committed to supporting efficient and properly managed utilization of our energy sources and products. We take into account the needs of today's consumers and the interest of future generations through an active policy of environmental stewardship that is an integral part of our sustainable development strategy.

We provide regular and transparent reports.
These business principles are our reference point and go hand-in-hand with the objective of continued growth, benefiting Shareholders, Customers and Employees, and contributing to the economic and social development of Ghana.

As a general principle
- GOIL is sensitive to the concerns expressed by the public, government and non-governmental organizations in matters concerning our operations.
- GOIL observes the rules of free competition.
- GOIL rejects bribery and corruption in all forms, whether public or private, active or passive.

GOIL strives to uphold:
- The principles of the Universal Declaration of Human Rights;
- The key conventions of the International Labour Organization;
- The principles of the United National Global Compact.

Shareholders
GOIL strives to earn the confidence of its shareholders, with the objective of providing them with a profitable investment. We regularly provide full and transparent information to all shareholders and are attentive to their concerns, especially through the Shareholders Advisory Committee.
We comply strictly with applicable stock exchange regulations and report our activities accurately in our financial statement.

Customers
GOIL provides customers with quality products and services, strives at all times to offer them the best performance at competitive prices for their particular requirements. We are attentive to our customer's needs,

Disclosure Requirements Cont'd

continuously monitoring, assessing and improving our products, services, technology and procedures to deliver quality, safety and innovation at every stage of the development, production and distribution process.

Employees
GOIL has confidence in the loyalty, motivation, competence and sense of responsibility of its employees. We expect them to adhere to the highest standards of integrity and avoid any conflict of interest. We pay particular attention to our employees working conditions, respecting individuals, avoiding discrimination and protecting their health and safety.

We include our employees in our development by encouraging the distribution of information, dialogue and consultation. We respect their personal lives. We recruit personnel solely on the basis of our requirements and the specific capabilities of individual applicants.

We develop their professional skills and careers without discrimination regarding, gender, or affiliation with a political, religious, or union organization or minority group. All employees have an individual performance appraisal with Management once a year, at which objectives are set, performance assessed and career development discussed. Career development is facilitated by appropriate training.

Suppliers
GOIL is careful to respect each party's interests, with transparent and fairly negotiated contract terms. We expect our suppliers to adhere to principles equivalent to those in our code of conduct.

Business Partners
GOIL applies its business principles and rules of individual behaviour whenever it leads or operates a Joint Venture. When we do not lead or operate a venture, we require the leader or operator to apply principles that are compatible with our business principles and rules of individual behaviour. In conducting its businesses, GOIL respects the natural environment and the cultural values of Ghana.

Through our operations, we contribute to the social and economic development in towns and local communities. GOIL rejects all forms of bribery and corruption. In particular, GOIL will not resort to bribery or corruption in order to obtain or retain business or other improper advantage in the conduct of all business.

All our stakeholders are encouraged to inform or report any breach of Company procedure or wrongdoing to the following whistle-blowing email address which is accessible only by the chairperson of the ethics committee: *wb@goil.com.gh*

Independence of the Board of Directors
The Board of Directors comprises an Executive Director and eight (8) non-executive directors and is independent of Management.

Duration of Directors Contract
Our Board of Directors are appointed for a two (2) year term and renewable at Annual General Meeting.

The Board is responsible for the fair presentation of the Company's financial statement. They are responsible for the policy guidelines and direction of the Company. The Directors' remunerations are determined and approved by the Shareholders at an Annual General Meeting and this includes Directors fees and allowances.

Independent Auditor's Report

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

PKF

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

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.

PKF

....

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¢
NON CURRENT ASSETS			
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
TOTAL NON CURRENT ASSETS		133,131,042	82,624,181
CURRENT ASSETS			
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
TOTAL CURRENT ASSETS		207,701,735	139,319,428
TOTAL ASSETS		340,832,777	221,943,609
EQUITY			
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
TOTAL EQUITY		76,890,153	59,335,050
NON CURRENT LIABILITIES			
Deferred Tax	7b	2,884,519	3,591,598
Non Current Term Loan	16b	11,250,000	6,565,818
TOTAL NON CURRENT LIABILITIES		14,134,519	10,157,416
CURRENT LIABILITIES			
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
TOTAL CURRENT LIABILITIES		249,808,105	152,451,143
TOTAL LIABILITIES		263,942,624	162,608,559
TOTAL EQUITY AND LIABILITIES		340,832,777	221,943,609

Approved by the Board on 9th April, 2015

....*Director* ....*Director*

Statement of Changes in Equity

for the Year Ended 31 December 2014

2014	Capital Stated GH¢	Fund Building GH¢	Surplus Income GH¢	Surplus Capital GH¢	Totals GH¢
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

Notes to The Financial Statements

for the Year Ended 31 December 2014

1. General Information and Summary of Significant Accounting Policies

a. Corporate Information

Ghana Oil Company Limited, a public company limited by shares, was incorporated and domicile in Ghana under the Companies Act, 1963 (Act 179). The Company is permitted by its regulations to carry on, the business of marketing quality petroleum and other energy products and services in all its branches in a healthy, safe, environmentally friendly and socially responsible manner. The address of the registered office of the Company is 'D 659/4, Kojo Thompson Road, P. O. Box 3183, Accra'.

b. Statement of Compliance

The financial statements have been prepared in accordance with all International Financial Reporting Standards, including International Accounting Standards and interpretations issued by the International Accounting Standards Board and its committees, as required by the Institute of Chartered Accountants (Ghana).

c. Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities that are stated at their fair values: *financial instruments that are at fair value through profit or loss; financial instruments classified as available-for-sale; and property, plant and equipment*.

d. Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRSs requires Management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and other factors that are reasonable under the circumstances, the results of which form the basis of making the judgement about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e. Summary of Significant Accounting Policies

The significant accounting policies adopted by Ghana Oil Company Limited under the International Financial Reporting Standards (IFRSs) are set out below.

I. Interest Income and Expense

Interest income and expenses are recognised in the statement of income for all instruments measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the instrument.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

ii. Financial Assets and Financial Liabilities

- *Categorisation of Financial Assets and Financial Liabilities*

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivable; and available-for-sale financial assets; and held-to-maturity investments. Financial liabilities are classified as either held at fair value through profit or loss, or amortised cost. Management determines the categorisation of its financial assets and financial liabilities at initial recognition.

- *Financial Assets and Financial Liabilities at Fair Value through Profit or Loss*

Financial asset or liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

- *Held for trading*

A financial asset or financial liability is classified as held for trading if it is: acquired or incurred principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

- *Designated at fair value through profit or loss*

Upon initial recognition as financial asset or financial liability, it is designated by the Company as at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

- *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available for sale and are held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity.

- *Initial Recognition of Financial Assets and Financial Liabilities*

The Company shall recognise a financial asset or financial liability on its balance sheet when, and only when, the Company becomes a party to the contractual provisions of the instrument subject to the provisions in respect of regular way purchases or sales of a financial asset which state that, 'a regular way purchase or sale of financial assets is recognised and derecognized using either trade date or settlement date accounting'.

- *Derecognition of Financial Assets and Financial Liabilities*

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Company has transferred substantially all the risks and rewards of ownership. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset.

A financial liability (or part of a financial liability) is removed from the Company's balance sheet when, and only when, it is extinguished – i.e. when the obligation specified in the contract is: discharged; cancelled; or expired.

- *Initial Measurement of Financial Assets and Financial Liabilities*

When a financial asset or financial liability is recognised initially, the Company measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When the Company uses settlement date accounting for an asset that is subsequently measured at cost or amortised cost, the asset is recognised initially at its fair value on the trade date.

- *Subsequent Measurement of Financial Assets*

After initial recognition, the Company shall measure financial assets, including derivatives that are assets, at their fair value, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets: loans and receivables, which shall be measured at amortised cost using the effective interest method; held-to-maturity investments, which shall be measured at amortised cost using the effective interest method; and investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

- *Subsequent Measurement of Financial Liabilities*

After initial recognition, the Company shall measure all financial liabilities at amortised cost using the effective interest method, except for: financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost; and financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or is accounted for using the continuing involvement approach.

- *Gains and Losses*

The Company shall recognise a gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship as follows: a gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss; a gain or loss on an available for sale financial asset shall be recognised directly in equity, through the statement of changes in equity except for impairment losses and foreign exchange gains and losses until the financial asset is derecognized, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss.

Interest calculated using effective interest method is recognised in profit or loss; dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established;

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortization process.

- *Amortised Cost Measurement*

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

- *Fair Value Measurement*

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or a financial liability is not actively traded or unlisted security, the Company establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors that market participants take into account when entering into a transaction. Management believe that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value in the balance sheet.

- *Offsetting*

Financial assets and financial liabilities are set off and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expense are presented on the net basis only when permitted by the accounting standards or interpretation, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

- *Measurement of Impairment and Provision for Credit Losses*

The Company shall assess at each balance sheet date, whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a loss event) and that loss event(s) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather, the combined effect of several events may have caused the impairment. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

- o significant financial difficulty of the issuer or the obligor;
- o a breach of contract, such as a default or delinquency in interest or principal payment;
- o the lender (the Company), for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Company would not otherwise consider;
- o it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- o the disappearance of an active market for that financial asset because of financial difficulties; or

observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including:

- o adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments); or
- o national or local economic conditions that correlate with defaults in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, a decrease in oil prices for loan assets to oil companies, or adverse changes in the industry conditions that affect the borrowers in the group).

A provision for credit losses is established if there is objective evidence that the Company will be unable to collect all amounts due on a claim according to the original contractual term. A "claim" means a loan, a commitment such as a letter of credit, guarantee or commitment to extend credit or other credit product.

An allowance for credit loss is reported as a reduction in carrying value of a claim on the balance sheet, whereas for an off-balance sheet item such as a commitment, a provision for credit loss is reported in other liabilities. Additions to provisions for credit losses are made through credit loss expense.

Provision for credit losses is based on the following principles:
Counterparty-specific – A claim is considered as a loss when management determines that it is probable that the Company will not be able to collect all amounts due according to the original contractual terms.

Individual credit exposures are evaluated based on the borrower's character, overall financial condition, resources and payment record, prospects of support from financially responsible guarantor and cash collaterals.

An impaired asset refers to an asset where there is no longer reasonable assurance of timely collection of the full amount of principal and interest due to deterioration in the credit quality of the counterparty. An asset is impaired if the estimated recoverable amount of an asset is less than its carrying amount shown in the books of the Company. Impairment is measured and a provision for credit losses is established for the difference between the carrying amount and its estimated recoverable value.

Estimated recoverable amount is measured by discounting the expected future cash flows at the effective interest rate inherent in the asset. When the amount and timing of future cash flows cannot be estimated with reasonable reliability, estimated, recoverable amounts may be measured at either:

- o The fair value of any security underlying the assets, net of expected costs of recovery and any amount legally required to be paid to the borrowers; or
- o Observable market prices for the assets.

Upon impairment the accrual of interest income based on the original terms of the claim is discontinued until the asset has been written down to its estimated recoverable amount. Interest income thereafter is recognized.

A write-off is made when all or part of a claim is deemed uncollectible or forgiven. Write-offs are charged against previously established allowances for credit losses or directly to credit loss expense and reduce the principal amount of a claim.

Notes To The Financial Statements cont'd

iii. Loans and Advances

Loans and advances originated by the Company include loans where money is provided directly to the borrower and are recognized when cash is advanced to the borrower. They are initially recorded at cost, which is fair value of cash originated by the Company, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

iv. Investments

Investments are recognized on a trade date basis and are classified as held to maturity or available for sale. Investments with fixed maturity dates, where management has both the intent and ability to hold to maturity are classified as held to maturity. Investments intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in the market, are classified as available for sale.

Investments are initially measured at cost. Available for sale investments are subsequently re-measured at fair value based on quoted prices. Fair values for unlisted securities are estimated using market values of the underlying securities or appropriate valuation methods.
Held to maturity investments are carried at amortised cost less any provision for impairment. Amortised cost is calculated on the effective interest method.

v. Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of assets is the greater of their net selling price and value in use. The impairment losses are recognized in the statement of income.

Depreciation is computed for all items of Property, Plant and Equipment other than Capital Work-in-Progress, using the straight-line method, at the following annual rates:

Freehold Land and Buildings	2%
Leasehold Land and Buildings	2.5%
Plant, Machinery and Equipment	20%
Furniture and Equipment	10%
Motor Vehicles – Tanker and Trucks	20%
Motor Vehicles – Others	25%
Computers	50%

Repairs and maintenance are charged to the income statement when the expenditure is incurred. Improvements to Fixed Assets are capitalized.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining net income.

vi. Translation of Foreign Currencies

The Company's functional currency is the Ghana Cedi. In preparing the balance sheet of the Company, transactions in currencies other than Ghana Cedis are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of income. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in shareholders' equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the shareholders' equity.

vii. Cash and Cash Equivalents
For the purposes of cash flow statement cash and cash equivalents include cash, non-restricted balances with Bank of Ghana, amounts due from other banks and financial institutions and short term government securities maturing in three months or less from the date of acquisition.

viii. Leases
Leases are tested to determine whether the lease is finance or operating lease and treated accordingly.

Finance leases - leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of the fair value of the lease property, plant and equipment and the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding rental obligations, net of finance charges, are included on other long term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases – leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Rentals payable under operating leases are charged to income statement on a straight- line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into operating lease are also spread on a straight-line basis over the lease term.

ix. Provision
Provisions for restructuring costs, legal claims and similar events are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

x. Deferred Taxation
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

xi. Current Taxation
The Company provides for income taxes at the current tax rates on the taxable profits of the Company.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

xii. Dividends on Ordinary Shares
Dividends on ordinary shares are recognised on equity in the period in which they are approved by the Company's shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events notes. Interim dividends are recognised when paid.

xiii. Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Notes To The Financial Statements cont'd

Borrowings are classified as non-current liabilities where the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

xiiv Borrowing Cost

Borrowing costs shall be recognised as an expense in the period in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset.

The capitalisation of borrowing costs as part of the cost of a qualifying asset shall commence when: expenditures for the asset are being incurred; borrowing costs are being incurred; and activities that are necessary to prepare the asset for its intended use or sale are in progress

Capitalisation of borrowing cost shall be suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

xv. Inventories

Inventory is stated at the lower of cost or net realisable value. Costs of inventories includes, the purchase price, and related cost of acquisition. The cost of inventory is determined using weighted average cost formula.

xvi. Impairment of Non-financial Assets

The carrying amount of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

xvii. Employee Benefits

· Short-Term Benefits

Short-term employee benefits are amounts payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund or a reduction in future cash payment.

Wages and salaries payable to employees are recognised as an expense in the income statement at gross amount. The Company's contribution to social security fund is also charged as an expense.

· *Social Security and National Insurance Trust (SSNIT)*

Under a National Deferred Benefit Pension Scheme, the Company contributes 13.5% of employees' basic salary to SSNIT for employee pensions. The Company's obligation is limited to the relevant contributions, which are settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

· *End of Service Benefit Scheme*

The Company has an End of Service Benefit Scheme for all permanent employees. The Company sets aside 10% Gross Basic Salaries into the fund. The Company's obligation under the plan is limited to the relevant contribution attributable to each individual staff member.

Notes To The Financial Statements cont'd

xviii. Events after the Financial Position date

The Company adjusts the amounts recognised in its financial statements to reflect events that provide evidence of conditions that existed at the balance sheet date.

Where there are material events that are indicative of conditions that arose after the balance sheet date, the Company discloses, by way of note, the nature of the event and the estimate of its financial effect, or a statement that such an estimate cannot be made.

xix. Earnings per share

The company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the relevant period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares in issue for the effects of all dilutive potential ordinary shares.

xx. New standards and interpretations not yet adopted

	Amendments/Improvements	Effective date
IFRS 9	Financial Instruments IFRS 9 introduces new requirements for classifying and measuring financial assets and financial liabilities..	1 January 2015
IAS 16	Property, Plant and Equipment Amendments regarding the clarification of acceptable methods of depreciation and amortisation (May 2014) Amendments bringing bearer plants into the scope of IAS 16 (June 2014)	1 January 2016
IAS 19	Employee Benefits Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects.	1 January 2016
IAS 38	Intangible Assets Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016

Notes To The Financial Statements cont'd

2.a DEPOT AND STATION EXPENSES;

Includes depreciation; - GH¢8,736,126 (2013 - GH¢5,404,638)

	2014 GH¢	2013 GH¢
b. SELLING AND ADMINISTRATION EXPENSES;		
Include the following:-		
Depreciation and Amortisation	2,992,776	2,423,621
Directors' Fees & Expenses	502,793	610,561
Auditors' Remuneration	80,000	70,850
Donations	706,827	445,360
3. SUNDRY INCOME		
Exchange Gain	1,717,627	1,825,073
Contractors Registration	41,800	13,550
Miscellaneous Income	397,123	584,166
Various Rent	1,982,502	920,169
Sale of Materials		10,324
Profit on Sale of Property, Plant and Equipment	86,630	141,650
	4,225,682	3,494,932
4. NET FINANCE EXPENSES		
Interest Income	1,245,766	1,174,589
Bank loan interest and Other Finance Charges	(3,038,706)	(1,362,479)
	(1,792,940)	(187,890)
5. TAXATION		
Current Tax	8,164,693	4,056,217
Deferred Tax	(707,079)	769,209
	7,457,614	4,825,426

Notes To The Financial Statements cont'd

	2014 GH¢	2013 GH¢
6. RECONCILIATION OF EFFECTIVE TAX		
Profit Before Tax	27,623,207	18,588,257
Tax at applicable tax rate at 25%(2013 - 25%)	6,905,802	4,647,064
Tax effect of non-deductible expenses	5,671,329	2,413,679
Tax effect of non-chargeable income	(480,631)	(635,481)
Tax effect of capital allowances	(3,733,557)	(2,369,045)
Tax effect On rent income	(198,250)	0
Origination/(reversal) of temporary differences	(707,079)	769,209
	7,457,614	4,825,426
Effective Tax Rate (%)	27.00	25.96

7a. CURRENT TAX

Income Tax	Balance at 1 January GH¢	Tax Paid/ Refund GH¢	Charge/Credit to P&L GH¢	Balance at 31 December GH¢
Up to 2009	(2,525)	0	0	(2,525)
2010	312,812	0	0	312,812
2011	989,907	0	0	989,907
2012	(134,221)	0	0	(134,221)
2013	861,180	(1,934,408)	0	(1,073,228)
2014	0	(4,600,000)	8,164,693	3,564,693
Total	2,027,153	(6,534,408)	8,164,693	3,657,438

Tax position up to 2009 year of assessment have been agreed with the tax authorities. The remaining liabilities are however subject to agreement with the tax authorities.
The amount provided for Income Tax is calculated at the rate of 25% of the Adjusted Profit and is subject to agreement with Ghana Revenue Authority.

	2014	2013
7b. DEFERRED TAXATION		
Balance at 1 January	3,591,598	2,822,389
Charge for the year	(707,079)	769,209
Balance at 31 December	2,884,519	3,591,598

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2013 - 25%).

Notes To The Financial Statements cont'd

8a PROPERTY, PLANT AND EQUIPMENT

2014	F'HOLD LAND & BUILDINGS GH¢	L'SEHOLD LAND & BUILDINGS GH¢	PLANT MACH. & EQUIP. GH¢	MOTOR VEHICLES GH¢	FURN. & EQUIP. GH¢	COMPUTERS & ACCESS. GH¢	CAPITAL WORK IN PROGRESS GH¢	TOTAL GH¢
Cost / Valuation								
Balance at 01.01.2014	1,195,113	54,053,194	36,933,482	7,779,082	2,208,180	661,900	5,350,105	108,181,056
Additions during the year	0	2,828,202	12,870,344	775,597	342,098	305,879	41,956,590	59,078,710
Transfers during the year	0	31,059,872	1,390,264		0	0	(32,450,136)	
Disposals during the year	0	0	(25,780)	(178,301)	(180)	0	0	(204,261)
Balance at 31.12.2014	1,195,113	87,941,268	51,168,310	8,376,378	2,550,098	967,779	14,856,559	167,055,505
Depreciation								
Balance at 01.01.2014	45,086	6,070,953	24,675,692	3,788,315	1,287,189	563,779	0	36,431,014
Charges during the year	23,902	2,198,532	6,513,692	1,605,056	188,650	206,079	0	10,735,911
Disposal during the year	0	0	(25,780)	(178,301)	(180)	0	0	(204,261)
Balance at 31.12.2014	68,988	8,269,485	31,163,604	5,215,070	1,475,659	769,858	0	46,962,664
Net Book Values								
31 December 2014	1,126,125	79,671,783	20,004,706	3,161,308	1,074,439	197,921	14,856,559	120,092,841
31 December 2013	1,150,027	47,982,241	12,257,790	3,990,767	920,991	98,121	5,350,105	71,750,042

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.

8b PROPERTY, PLANT AND EQUIPMENT

2013

Cost / Valuation	F'HOLD LAND & BUILDINGS GH¢	L'SEHOLD LAND & BUILDINGS GH¢	PLANT MACH. & EQUIP. GH¢	MOTOR VEHICLES GH¢	FURN. & EQUIP. GH¢	COMPUTERS & ACCESS. GH¢	CAPITAL WORK IN PROGRESS GH¢	TOTAL GH¢
Balance at 01.01.2013	796,285	41,008,592	26,070,584	6,279,082	1,897,165	555,622	12,703	76,620,033
Additions during the year	398,828	973,744	10,091,659	2,040,481	311,015	106,278	18,257,257	32,179,262
Transfers during the year	0	12,070,858	848,997		0	0	(12,919,855)	
Reversal	0	0	(17,948)		0	0	0	(17,948)
Disposals during the year	0	0	(59,810)	(540,481)	0	0	0	(600,291)
Balance at 31.12.2013	1,195,113	54,053,194	36,933,482	7,779,082	2,208,180	661,900	5,350,105	108,181,056
Depreciation								
Balance at 01.01.2013	21,784	4,719,623	20,705,496	2,813,788	1,117,835	417,823	0	29,796,349
Charges during the year	23,302	1,351,330	4,030,006	1,482,758	169,354	145,956	0	7,202,706
Disposal during the year	0	0	(59,810)	(508,231)	0	0	0	(568,041)
Balance at 31.12.2013	45,086	6,070,953	24,675,692	3,788,315	1,287,189	563,779	0	36,431,014
Net Book Value								
31 December 2013	1,150,027	47,982,241	12,257,790	3,990,767	920,991	98,121	5,350,105	71,750,042
31 December 2012	774,501	36,288,969	5,365,088	3,465,294	779,330	137,799	12,703	46,823,684

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.

Notes To The Financial Statements cont'd

		2014 GH¢	2013 GH¢
9a	AVAILABLE FOR SALE FINANCIAL INSTRUMENTS		
	Ghana Bunkering Services Ltd.	222,278	222,278
	Ghana Fertilizer Company		2
	Total (Ghana) Ltd.	6,347,221	5,265,072
	Tema Lube Oil Company Ltd.	10,954	10,954
	Metro Mass Transit Company Limited	414,000	414,000
	JUHI	2,910,293	2,672,577
		9,904,748	8,584,883

Available for sale financial instruments of the above companies are made up of equity shares.

		2014 GH¢	2013 GH¢
9b	SHORT TERM INVESTMENT		
	Fixed Deposit	6,415,674	4,479,075
10.	STOCKS & GOODS IN TRANSIT		
	Trading : Gas Cookers & parts	436	436
	Fuel	1,426,595	4,440,058
	Lubricants	18,485,163	8,222,802
	L.P. Gas	100,150	58,092
		20,012,344	12,721,388
	Non Trading : Materials	6,944,076	4,363,903
		26,956,420	17,085,291
	Goods in Transit	251,354	0
		27,207,774	17,085,291
11.	ACCOUNTS RECEIVABLE		
	Trade Receivable	120,113,456	79,756,234
	Other Receivable	39,525,998	16,483,101
	Staff Receivable	593,453	256,403
	Prepayments	1,956,088	982,869
		162,188,995	97,478,607
	Less: Provision for Bad & Doubtful Debts	(1,754,588)	(951,322)
		160,434,407	96,527,285

The maximum amount owed by the staff did not at one particular time exceed:
2014 GH¢593,453 (2013: GH¢256,403)
Prepayments - This represents the unexpired portion of certain expenditure spread on a time basis.

Notes To The Financial Statements cont'd

		2014 GH¢	2013 GH¢
12	INTANGIBLE ASSETS		
	Balance at 1 January	3,127,765	1,064,781
	Additions during the year	1,837,188	2,062,984
	Balance at 31 December	4,964,953	3,127,765
	Amortisation		
	Balance at 1 January	838,509	212,956
	Amortisation for the year	992,991	625,553
	Balance at 31 December	1,831,500	838,509
	Carrying amount		
	At 31 December	3,133,453	2,289,256
	This relate to the cost of rebranding and Computer Software.		
13.	CASH AND BANK BALANCES		
	Current Account	13,301,898	21,036,831
	Cash in Hand	341,982	190,946
		13,643,880	21,227,777
14.	BANK OVERDRAFT		
	GCB Bank Limited	4,314,471	546
	Universal Merchant Bank Limited	3,722,846	0
	Prudential Bank Ghana Limited	881,122	1,109,568
	First Atlantic Bank Limited	7,282,409	0
	Others	100	4,163
		16,200,948	1,114,277

GCB Bank Limited: The company has an overdraft facility of GH¢10,000,000 with GCB Bank Limited at an interest rate of 25.50% and the facility expires on 31 October, 2015.

Universal Merchant Bank Limited: The company has an overdraft facility of GH¢10,000,000 with Universal Merchant Bank Limited at an interest rate of 28.85% and the facility expires on 31 December, 2015.

Prudential Bank Ghana Limited: The company has an overdraft facility of GH¢6,000,000 with Prudential Bank Ghana Limited at an interest rate of 26.50% and the facility expires on 31 December, 2015.

First Atlantic Bank Limited: The company has an overdraft facility of GH¢5,000,000 with First Atlantic Bank Limited at an interest rate of 26.47% and the facility expires on 31 July, 2015.

	2014 GH¢	2013 GH¢
15. ACCOUNTS PAYABLE		
Trade Payable	185,198,291	120,347,143
Other Payable	24,252,874	20,366,909
Accruals	9,978,155	4,932,686
	219,429,320	145,646,738
16a TERM LOAN		
Balance as at I January	10,228,793	11,758,386
Addition during the year	15,000,000	0
Loan repayment	(3,458,394)	(1,529,593)
	21,770,399	10,228,793
16b LONG TERM PORTION		
Medium Term Loan	11,250,000	6,565,818
	11,250,000	6,565,818
16c SHORT TERM PORTION		
Government of Ghana	3,780,000	1,890,000
Medium Term Loan	6,740,399	1,772,975
	10,520,399	3,662,975

The Government of Ghana Loan (Goil Subsidiary Loan) was rescheduled in the year 2007 and repayable in seven (7) years with four years grace period commencing 2011. The facility expires on 31 December, 2018.

First Atlantic Bank
The bank granted a medium term loan facility of GH¢15,000,000 to the company. The facility is due to expire on August, 2018 and interest rate was 26.47% per annum.

Stanbic Bank Ghana Limited
The Company has been granted a Medium Term Loan of USD$5,161,280 by Stanbic Bank Ghana Limited, for general corporate purposes including capital expenditure for new Service Stations and Rebranding exercise. The loan is to be repaid in full over a period of five (5) years with six (6) months moratorium. Interest rate is 6.4% fixed per annum.

Notes To The Financial Statements cont'd

	2014 GH¢	2013 GH¢
17. STATED CAPITAL		
Number of authorised shares	1,000,000,000	1,000,000,000
Total number of issued shares	252,223,488	252,223,488
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	20,249,800	20,249,800
	31,809,263	31,809,263

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.

	2014 GH¢	2013 GH¢
Balance at 1 January	2,533,369	1,599,217
Transfer from Income Surplus	1,008,280	688,142
Interest earned on amount invested	341,228	246,010
Balance at 31 December	3,882,877	2,533,369

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 movements in the market price of available for sale financial assets of 100,000 shares held in Total Petroleum Ghana Limited as a result of the adoption of International Financial Reporting Standards.

	Available-for-sale Financial Asset GH¢	Revaluation surplus GH¢	2014 GH¢	2013 GH¢
Balance at 1 January 2014	5,067,668	3,906,759	8,974,427	6,058,355
Revaluation	1,082,149		1,082,149	2,916,072
Balance at 31 December 2014	6,149,817	3,906,759	10,056,576	8,974,427

21. DIVIDEND

	2014 GH¢	2013 GH¢
Final Dividend paid was GH¢0.0160 per Share	4,033,867	3,152,796
(2013; GH¢0.0150 per Share) Payments during the year	(4,033,867)	(3,152,796)
	0	0

A final dividend of GH¢0.020 per share amounting to GH¢5,044,469.76 has been proposed for the year ended 31 December 2014. (2013: GH¢0.016 per share, amounting to GH¢4,033,867)

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 ofexecutive 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.

Notes To The Financial Statements cont'd

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;

	2014 GH¢	2013 GH¢
Available for Sale Financial Assets	9,904,748	8,584,883
Loans and Receivables	160,434,407	96,527,285
Cash and Cash Equivalents	13,643,880	21,227,777
	183,983,035	126,339,945
The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was;		
Public Institutions	120,113,456	79,756,234

Impairment Losses

	Gross GH¢	2014 Impairment GH¢	Gross GH¢	2013 Impairment GH¢
Past due after 0 - 180 days	120,113,456	0	79,756,234	0

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

	2014 GH¢	2013 GH¢
Balance at 31 December	120,113,456	79,756,234
Impairment loss recognised	(1,754,588)	(951,322)
Balance at 31 December	118,358,868	78,804,912

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.

The following are contractual maturities of financial liabilities;

31 December 2014

Non-derivative Financial Liability	Amount GH¢	6 mths or less GH¢	6-12 mths GH¢	1-3 years GH¢
Secured Bank Loans	21,770,399	5,260,200	5,260,200	11,250,000
Trade and Other Payables	219,429,320	219,429,320	0	0
Bank Overdraft	16,200,948	16,200,948	0	0
Balance at 31 December 2014	257,400,667	240,890,468	5,260,200	11,250,000

31 December 2013

Non-derivative Financial Liability	Amount GH¢	6 mths or less GH¢	6-12 mths GH¢	1-3 years GH¢
Secured Bank Loans	10,228,793	1,831,488	1,831,488	6,565,818
Trade and Other Payables	145,646,738	145,646,738	0	0
Bank Overdraft	1,114,277	1,114,277	0	0
Balance at 31 December 2013	156,989,808	148,592,503	1,831,488	6,565,818

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.

	Carrying amount	
	2014 GH¢	2013 GH¢
Variable rate instrument		
Financial liabilities	37,971,347	11,343,070

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2014 and also at 31 December 2013.

Notes To The Financial Statements cont'd

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 2014		31 December 2013	
	Carrying Amount GH¢	Fair Value GH¢	Carrying Amount GH¢	Fair Value GH¢
Loans and Receivables				
Trade and Other Receivables	160,434,407	160,434,407	96,527,285	96,527,285
Cash and Cash Equivalents	13,643,880	13,643,880	21,227,777	21,227,777
Short Term Investment	6,415,674	6,415,674	4,479,075	4,479,075
	180,493,961	180,493,961	122,234,137	122,234,137
Available for Sale Financial Instrument				
Long Term Investment	9,904,748	9,904,748	8,584,883	8,584,883
Other Financial Liabilities				
Secured Bank Loan	21,770,399	21,770,399	10,228,793	10,228,793
Trade and Other Payables	219,429,320	219,429,320	145,646,738	145,646,738
Bank Overdraft	16,200,948	16,200,948	1,114,277	1,114,277
	257,400,667	257,400,667	156,989,808	156,989,808

24. CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the balance sheet date and at 31 December 2014.

25. EMPLOYEE BENEFITS

Deferred Contribution Plans

Social Security

Under a National Deferred Benefit Pension Scheme, the company contributes 13.5% 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.

Notes To The Financial Statements cont'd

26. TWENTY LARGEST SHAREHOLDERS

	Shareholders	Number of Shares	Percentage Holding (%)
1	GOVERNMENT OF GHANA	128,889,623	51.10
2	SOCIAL SECURITY & NATIONAL INSURANCE TRUST	46,699,835	18.52
3	THE QUANTUM GROUP LIMITED	22,548,383	8.94
4	HOPEFIELD CAPITAL LIMITED	8,141,707	3.23
5	MR. DANIEL OFORI	1,091,138	0.43
6	SCBN/ELAC POLICY HOLDERS FUND	910,924	0.36
7	SCGN/RBC HYPOSWISS (LUX) FUND-AFRICA	456,000	0.18
8	MR. VICTOR KODJO DJANGMAH	412,440	0.16
9	DONEWELL LIFE COMPANY LIMITED	384,187	0.15
10	ZHAO HAIJUN	368,731	0.15
11	SCBN/DATABANK BALANCE FUND LTD.	347,840	0.14
12	SIC GENERAL BUSINESS	300,421	0.12
13	OPARE-SEM DANIEL KWADWO MR.	276,860	0.11
14	GLICO GEN. INSURANCE COMPANY LIMITED	268,674	0.11
15	HFCN/EDC GHANA BALANCE FUND LIMITED	231,960	0.09
16	SCBN/SAS FORTUNE FUND	186,000	0.07
17	PROVIDENT LIFE ASSURANCE	180,000	0.07
18	ECOBANK GHANA STAFF PROVIDENT FUND	177,906	0.07
19	STD NOM/METLIFE CLASSIC FUND	168,140	0.07
20	HFC EQUITY TRUST	166,082	0.07
	TOTALS OF TWENTY LARGEST SHAREHOLDERS	212,206,851	84.14
	TOTALS OF OTHERS	40,016,637	15.86
	GRAND TOTALS	252,223,488	100.00

The number and distribution of the Shares are of equal voting rights as shown above. There were no significant changes in the Shareholdings during the year.

27. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	8,311	3,991,676	1.58
1,001 - 5,000	5,263	10,200,417	4.04
5,001 - 10,000	868	5,540,804	2.20
10,001 - 50,000	654	12,951,157	5.13
50,001 - 999,999,999	110	219,539,434	87.04
		252,223,488	100.00

28. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES	% OF ISSUED CAPITAL
Prof. William A. Asomaning	11,000	0.0044
Nana Esuman Kwesi Yankah	5,760	0.0023
Mr. Eugene Akoto-Bamfo	4,020	0.0016
Mr. Thomas Kofi Manu	12,432	0.0049
Mr. Chris A. Ackummey	2,130	0.0008
Mad. Faustina Nelson	22,800	0.0090
Hon. Kojo Bonsu	7,080	0.0028
Mr. Patrick Akpe Kwame Akorli	138,810	0.0550
	204,032	0.0809

29. NUMBER OF SHARES IN ISSUE

Earning, Dividend per share are based on 252,223,488, (2013; 252,223,488).

Proxy Form

I/We .... of .... being a member/members of Ghana Oil Company Limited hereby appoint ....or failing him/her the Chairman as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the College of Physicians and Surgeons, Ridge, Accra on Thursday, 30th April, 2015 at 11:00 am and at any adjournment thereof.

This form is to be used:

1	In favour of * against	The Resolution to adopt the Reports of the Directors and the Financial Statements of the Company for the year ended December 31, 2014
2	In favour of * against	The Resolution to declare a dividend with respect to the Year ended December 31, 2014 as recommended by the Directors.
3	In favour of * against	The appointment of Alhaji Razak El Alawa as a Director
4	In favour of * against	The appointment of Mr. Damian Yelbonkang Zaato as a Director
5	In favour of * against	The re-election of Mr. Chris A-Ackummey
6	In favour of * against	The re-election of Mr. Thomas Kofi Manu
7	In favour of * against	The re-election of Mr. Eugene Akoto-Bamfo
8	In favour of * against	The Resolution to authorize the Directors to fix the remuneration of the Auditors
9	In favour of * against	The Resolution to fix the remuneration of Directors
10	In favour of * against	The Resolution to authorise the Company to purchase its own Shares

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 7 above, the resolution to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

*Strike out whichever is not desired.

....

signed this........................ day of... 2015

....
Signature of Shareholder

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTERED OFFICE IF THE MEMBER WILL BE ATTENDING THE MEETING

1. A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend.

2. Provision has been made on the Form for PROF. WILLIAM AFIAKWA ASOMANING, the Chairman of the meeting to act as your proxy but if you so wish, you may insert in the blank space the name of any person whether a member of the Company or not who will attend the meeting and vote on your behalf instead of PROF. WILLIAM AFIAKWA ASOMANING.

3. In case of joint holders, each joint holder must sign.

4. If executed by a Corporation, the Proxy Form must bear its Common Seal or be signed on its behalf by a Director.

5. Please sign the above Proxy Form and post it so as to reach the address shown below not later than 4.00pm on Tuesday, 28th April, 2015.

The Company Secretary
Ghana Oil Company Limited
P. O. Box, GP 3183
Accra