Ghana Oil Company Limited

GOIL
Good energy

2015
Annual & Financial Report

2015

Annual & Financial Report

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COMPANY INFORMATION

BOARD OF DIRECTORS

Prof. William A. Asomaning – Chairman
Mr. Patrick Akpe Kwame Akorli – Managing Director
Nana Esuman Kwesi Yankah – Member
Mr. Eugene Akoto-Bamfo – Member
Mr. Chris A-Ackummey – Member
Mad. Faustina Nelson – Member
Mr. Thomas Kofi Manu – Member
Alhaji Abdul R. El-Alawa – Member
Mr. Damian Yebonkang Zaato – 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 47th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 47th 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, 12th May, 2016 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, 2015.
2. To declare a dividend for the year ended December 31, 2015.
3. To re-elect Directors retiring by rotation.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To fix the remuneration of the Directors

Dated this 17th day of March, 2016.

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, GP3183, Accra not less than 48 hours before the appointed time of the Meeting. Failure to submit the forms before the 48th hour 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 2015 Accounts

The Board shall propose the acceptance of the 2015 Accounts as the true and fair view of the state of affairs of the Company for the year ended 31st December, 2015 and of its performance for the year then ended.

2 To Declare a Dividend

The Directors recommend the payment of a dividend of 0.025 per share amounting to GH¢6,305,587 for the year ended 31st December 2015.

3 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. Kwesi Yankah
- Mad. Faustina Nelson
- Mr. Damian Y. Zaato

4 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.

5 To Fix the Remuneration of the Directors

The Board will request from members their approval to fix the remuneration of the Directors.

BOARD OF DIRECTORS

Prof. William A. Asomaning
Chairman

Alhaji Abdul R. El-Alawa
Member

Nana Esuman Kwesi Yankah
Member

Mad. Faustina Nelson
Member

Mr. Damian Yebonkang Zaato
Member

Mr. Eugene Akoto-Bamfo
Member

Mr. Chris A-Ackummey
Member

Mr. Thomas Kofi Manu
Member

Mr. Patrick Akpe Kwame Akorli
Managing Director

Address by BOARD CHAIRMAN

Ladies and Gentlemen, you are welcome to the 47th Annual General Meeting of Ghana Oil Company Ltd. Before I continue with my speech I would humbly ask that we observe a minute's silence for the souls that perished during last year's June 3 flooding and fire disaster. (let's be on our feet)

"May their souls rest in peace"

You might recall that I hinted during the previous Annual General Meeting, how GOIL put up a good performance and was poised to improve upon that accomplishment in the 2015 period. I am indeed delighted to announce to you that true to our prediction a very good performance has been achieved.

Economic and Business Environment

In the 2016 budget statement, it was reported that Ghana registered an economic growth rate of 4.1% for the year 2015, almost the same as that of the year 2014 (4%). Annual inflation rate during 2015 increased from 16.4% in January to 16.6% in March and then 17.9% in July. It however, declined marginally to 17.4% during the last quarter. The service sector continued to be the driver behind the growth in the economy. Its share of GDP rose from 51.9% in 2014 to 54.1% (est.) in 2015.

During the year 2015, the petroleum downstream sector was deregulated in terms of pricing. Contrary to the fear that the policy would result in increasing fuel prices, prices rather took a downward trend due to a unique role played by your Company to ensure fierce competition among the Oil Marketing Companies(OMCs). Significantly, the fall in price of crude oil on the world market was also a key contributor to falling prices in the country.

Operating and Financial Performance

GOIL continued to focus on growing its core business through value-added joint venture engagements, take-over of distressed competitor stations and acquisition of new stations.

Despite the challenging market conditions and stiff competition, the Company achieved the biggest market share of 17% among the over 85 Oil Marketing Companies. GOIL's fuel sales during the year 2015 exceeded its own target by 20%.

The company remained on course in the retail business through competitive pricing, offering quality additivated products, value for fuel purchased by our cherished customers and maintaining a high level of visibility by the strategic spread of our stations.

In June 2015, when the other Bulk Distribution Companies were finding it difficult to import finished petroleum products into the country, BOST together with GOENERGY (a subsidiary of GOIL) rose up to save the situation. As a result, the country did not experience any significant fuel shortage. Once again, GOENERGY'S contribution to the implementation of the deregulation exercise in the country is a success story we can all share.

The synergy between GOIL and GOENERGY has pushed the Company as a group to grow to a level we are all proud of.

LPG and Lubricant sales went up by 6% and 12% respectively compared to the same period last year. Notwithstanding unreliable product supply within the year, GOIL managed to increase LPG sales through competitive pricing and increased investments in new filling plants. Lubricant sales also moved up as a result of employment of competitive pricing, maintenance of quality of products and expansion of distribution outlets.

Consequently, the profit after tax of GOIL, grew by 10.4%, up from GH¢ 20.1 million in 2014 to GH¢22.2 million in 2015. The Board is therefore pleased to recommend a dividend of GH¢0.025 per ordinary share for the 2015 financial year. This compares with GH¢0.020 in 2014. It is also worth mentioning that the group made a profit after tax of GH¢ 39.6 million for 2015.

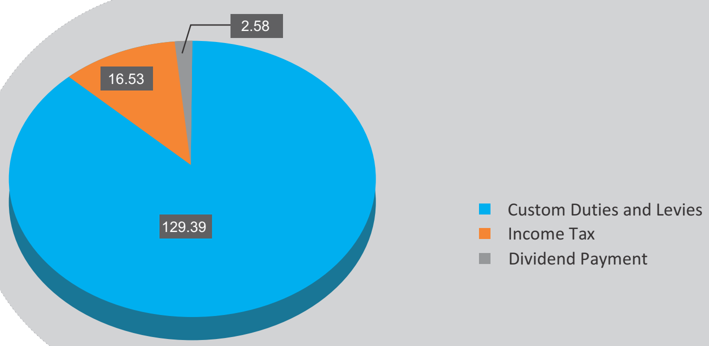
The Company also pursued its long term goal of expanding services regarding sale of Marine Gas Oil (MGO) by commencing the construction of a storage facility at the Takoradi harbour. An additional storage tank was also put up at the Sekondi Naval Base to boost the existing capacity. This is in anticipation of Takoradi becoming a hub for future oil bunkering activities.

About three years ago, GOIL initiated the construction of an aviation facility at the Kumasi airport as a response to demands of the local airlines in Ghana to be able to fly from Accra to Tamale via Kumasi where they will re-fuel. I am happy to announce that the project is completed and Africa World Airline has been using this facility to fly 4 times a week between Accra, Kumasi and Tamale since 1st April 2016.

Financial Contributions to Government

Custom Duties and Levies	129.39
Income Tax	16.53
Dividend Payment	2.58

Figures in Million Cedis(GH¢)



Capacity Building and Good Governance

The Company intensified efforts in empowering its workforce relating to the handling of the business through training and attendance of seminars organised by reputable institutions like Energy Institute of UK and Oxford-Princeton. As part of enhancing the Company's knowledge in the oil business, members of staff were sent abroad to understudy indigenous oil companies in countries like Mexico and Jamaica. The Company also trained and continues to train young members of staff in disciplines that will enable implementation of effective succession planning.

GOIL recognises that the face of the Company is what happens at the pump. In this regard, the Company intensified the training of attendants. Meeting the expectations of customers has been the hallmark of the training strategy at the stations.

Health, Safety, Security & Environment

At GOIL, we believe that operating safely is essential to delivering products to our customers. There were improvements in housekeeping, quality of products and outlook of stations resulting in customers making GOIL their preferred brand.

The Company has acquired fuel analyzers and particulate count machines to test the products we load before discharging into our underground tanks to facilitate quality assurance. The health of our staff is still paramount as we undertook the dissemination of health information, routine medical examinations and health walks.

Measures were initiated to improve on safety at our offices, stations and other locations, especially in collaboration with Ghana National Fire Service.

Corporate Social Responsibility (CSR)

In the year under review, GOIL continued with its Potable Water Supply Project by delivering mechanised boreholes to deprived areas in some communities. In this direction, the year 2015 saw the provision of 10 boreholes in the following areas: Atechem-Bogosu (Wassa District – Western Region), Amanfrom and Pano (Akyem North – Eastern Region), Detieso, Anyaso and Dangyanso (Bosome Freho – Ashanti Region) Kabonwuli, Kofinyi & Kpasaa (Nkwanta North – Volta Region). It is significant to note that the Company has been providing a minimum of 10 boreholes every year since 2013 to deprived communities.

In promoting sports, GOIL was one of the lead sponsors of the first ever International Marathon in Ghana which was organized throughout all the 10 regions and climaxed in Accra known as the Millennium Marathon. The National Beach Soccer team received support for its achievement in the last world championship contests.

Future Prospects

The Company intends to establish itself in every district; the name must be a household one and GOIL should be associated with quality products and excellent service delivery. GOIL will continue to extend its operations towards the upstream business; providing other services apart from bunkering in the upstream sector is an immediate goal. The Company also aims at improving added services such as the electronic card payment system (GOIL Advantage Card) to attract more customers.

Having acquired many stations which are strategically located throughout the country, the need to utilise the stations' forecourt to do other businesses has become imperative. Plans are afoot to harness the space advantage available at the forecourts.

The Company has decided to reinvigorate its effort to supply bitumen to satisfy the growing national demand. While making profit from the sale of bitumen, it deems it an obligation to supply affordable bitumen to contractors to enable infrastructure development in the country to succeed.

Acknowledgements

I would like to thank the various stakeholders who have constantly engaged the Company in discussions and given us vital feedback. To our largest shareholder, represented by the Ministry of Petroleum and Ministry of Finance, for the support given in ensuring intended projects are successfully carried out; and to the industry regulator National Petroleum Authority for directions and keeping us on our toes; you all deserve high commendation.

My personal gratitude also goes to the Board, Management and Staff of the Company, for the enterprising spirit, commitment, enthusiasm and raw capability with which you operate. Your work ethic spells out a Company that is constantly renewing itself and its approach. That is what would ensure our collective satisfaction as shareholders.

My final but not the least appreciation goes to you shareholders once again, for the generous opportunity to continue serving you in this capacity.
I thank you.

MANAGEMENT TEAM

Mr. Patrick Akpe K. Akorli
Managing Director

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

Mr. Cyril Opon
Adminstrative / Human Resource Manager

Mr. Anthony Twumasi
Info. Tech. & Planning Manager

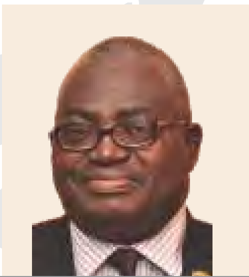
Mr. Samuel T. Korboe
Chief Internal Auditor

Mr. Alex Adzew
Fuels Marketing Manager

Mr. John B. Tagoe
Technical & Special Products Manager

Mrs. Rosemond Awotwi Frempong
Corporate Affairs Manager

Mr. Erasmus Ofori Sarkwa
Finance Manager



Mr. Stephen Yaw Gyaben
Solicitor / Secretary

Mr. Gyamfi Amanquah
Chief Operating Officer (GOENERGY)

Mr. Benjamin Torkornoo
Operations Manager

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 and its Subsidiary for the year ended

RESULTS OF OPERATIONS

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
Gross Sales	**3,760,389**	**2,083,896**	1,634,919
Customs Duties and Levies	**(129,391)**	**(129,391)**	(87,890)
Net Sales	**3,630,998**	**1,954,505**	1,547,029
Profit for the year	**56,100**	**32,698**	27,623
from which is deducted; provision for estimated income tax of	**(16,527)**	**(10,487)**	(7,458)
leaving a net profit after tax of	**39,573**	**22,211**	20,165
to which is added the income surplus brought forward from the previous year of	**31,142**	**31,142**	16,018
	70,715	**53,353**	36,183
Less:			
final dividend paid; for 2014 at GH¢0.020 per share (2013 at GH¢0.0160 per share)	**(5,044)**	**(5,044)**	(4,034)
transfer to building fund,	**(1,979)**	**(1,111)**	(1,008)
	63,692	**47,198**	31,141

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.

DIRECTORS

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

Name		Date	
Prof. William A. Asomaning	Chairman	Appointed	16.07.2009
Mr. Patrick Akpe Kwame Akorli	Managing	Appointed	01.06.2012
Mr. Thomas Kofi Manu	Member	Re-elected	25.07.2012
Mr. Eugene Akoto-Bamfo	Member	Re-elected	25.07.2013
Mr. Chris A-Ackummey	Member	Re-elected	25.07.2013
Nana Esuman Kwesi Yankah	Member	Re-elected	29.05.2014
Madam Faustina Nelson	Member	Re-elected	29.05.2014
Mr. Damian Yelbonkang Zaato	Member	Appointed	30.04.2015
Alhaji Razak El Alawa	Member	Appointed	30.04.2015
Mr.Kojo Bonsu	Member	Retired	30.04.2015
Hon. Nii Laryea Afotey-Agbo	Member	Retired	30.04.2015

DIVIDEND

Final dividend of GH¢0.020 per share amounting to GH¢5,044,470 was paid during the year.

A final dividend of **GH¢0.025** per share amounting to **GH¢6,305,587** has been proposed for the year ended 31 December 2015, (2014: GH¢0.020 per share, amounting to GH¢5,044,470)

SUBSIDIARY

Goenergy Company Limited, a company incorporated in Ghana as Bulk Distribution Company. The Company is permitted by its regulations to carry on, the business of bulk importers, storage, suppliers and bulk distributors and buyers and sellers of petroleum products.

EVENTS AFTER THE REPORTING DATE

The Directors confirm that no matters have arisen since December 31, 2015, which materially affect the financial statements of the company for the year ended on that date.

Director **Director**

20th 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, 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 AND IS SUBSIDIARY

For The Year Ended 31 December 2015

PKF

Accountants &
business advisers

Report on the Financial Statements

We have audited the accompanying financial statements of Ghana Oil Company Limited and its subsidiary which comprise the consolidated statement of financial position as of December 31, 2015, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cashflow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the consolidated financial position of Ghana Oil Company Limited and its subsidiary as of December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act, 1963 (Act 179), Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

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

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

Signed by: PKF
F. Bruce-Tagoe (ICAG/P/1087)
For and on behalf of
PKF: (ICAG/F/2016/039) Chartered Accountants
Farrar Avenue P. O. Box GP 1219,
Accra.

20th April, 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2015

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2015

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

Approved by the Board on: *20th April, 2015*

Director **Director**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2015

GROUP 2015	Stated Capital GH¢'000	Building Fund GH¢'000	Income Surplus GH¢'000	Capital Surplus GH¢'000	Totals GH¢'000
Balance at 1 January	31,809	3,883	31,142	10,056	76,890
Net profit for the year	0	0	39,573	0	39,573
Transfer to Building Fund	0	1,979	(1,979)	0	0
Interest Earned on Amount Invested	0	432	0	0	432
Revaluation Loss on Available for Sale Investments	0	0	0	(832)	(832)
Dividend paid	0	0	(5,044)	0	(5,044)
Balance at 31 December	**31,809**	**6,294**	**63,692**	**9,224**	**111,019**
COMPANY					
2015					
Balance at 1 January	31,809	3,883	31,142	10,056	76,890
Net profit for the year	0	0	22,211	0	22,211
Transfer to Building Fund	0	1,111	(1,111)	0	0
Interest Earned on Amount Invested	0	432	0	0	432
Revaluation Loss on Available for Sale Investments	0	0	0	(832)	(832)
Dividend paid	0	0	(5,044)	0	(5,044)
Balance at 31 December	**31,809**	**5,426**	**47,198**	**9,224**	**93,657**
2014					
Balance at 1 January	31,809	2,533	16,018	8,974	59,334
Net profit for the year	0	0	20,166	0	20,166
Transfer to Building Fund	0	1,008	(1,008)	0	0
Interest Earned on Amount Invested	0	342	0	0	342
Revaluation Gain on Available for Sale Investments	0	0	0	1,082	1,082
Dividend paid	0	0	(4,034)	0	(4,034)
Balance at 31 December	**31,809**	**3,883**	**31,142**	**10,056**	**76,890**

CONSOLIDATED STATEMENT OF CASH FLOW

For The Year Ended 31 December 2015

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

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.

Functional and presentation currency

The financial statements are presented in Ghana Cedis (GH¢), which is the Company's functional and presentational currency.

f.

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.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company activities. Revenue is shown net of value-added tax (VAT), rebates and discount.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement,

Revenue is recognised as follows:

- Sales of goods are recognised in the period in which the company has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer acceptance of the products. Delivery does not occur until the products have been accepted by the customer.

- Sales of services are recognised in the period in which the service are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a percentage of the total services to be provided.

- Interest income is recognised on a time proportion basis using the effective interest rate method.

ii.

Financial Assets and Financial Liabilities

- <u>Categorisation of Financial Assets and Financial Liabilities</u>

  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:

- significant financial difficulty of the issuer or the obligor;
- a breach of contract, such as a default or delinquency in interest or principal payment;
- 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;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- 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:

- adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments); or
- 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:

- 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
- 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.

iii. 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.

iv. 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.

v. Cash and Cash Equivalents

For the purposes of statement of cashflows and cash equivalents include cash, balances with Banks, financial institutions and short term government securities maturing in three months or less from the date of acquisition.

vi. 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.

vii. 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.

viii. 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.

ix. 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.

x. 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.

xi. 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.

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.

xii. 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.

xiii. 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.

xiiv. 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.

xv. 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 statement of profit or loss 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.

xvi. 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.

xvii. 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.

xviii. New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2015, and have not been applied in preparing these financial statements. These are disclosed as follows:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the completed version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial

Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. There is no impact of this standard on the company.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The company is currently assessing the impact of IFRS 15.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in joint Operations

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the company.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the company given that the company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the company's financial statements.

Amendments to IAS 1 (Disclosure Initiative)

The amendments made changes to a number of aspects of IAS 1 Presentation of Financial Statements include:

a) Materiality – Aggregation or disaggregation should not obscure useful information. Materiality applies to each of the primary financial statements, the notes and each specific disclosure required by IFRSs.

b) Line items in primary financial statements – Additional guidance for line items to be presented in primary statements and new requirements regarding the use of subtotals.

c) Notes to the financial statements – Determination of the order of the notes should include consideration of understandability and comparability of financial statements.

d) Disclosure of Accounting policies – That are relevant in the preparation of the financial statements and understandability of the entity's operations

e) Equity accounted investments – An entity's share of other comprehensive income would be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

The amendments are effective for annual periods beginning on or after 1 January 2016. Early application is permitted. These amendments may result in changes to the presentation of the financial statements and note disclosures.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method.

A parent's gain or loss resulting from the above transaction is recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in the associate or joint venture.

All remaining parts of the gain or loss are eliminated against the carrying amount of the investment in the associate or joint venture.
In the case of any retained interest in the former subsidiary, gains and losses from the remeasurement are treated as follows: Retained interest is accounted for as an associate or joint venture using the equity method: The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. Retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments: The parent recognises the gain or loss in full in profit or loss.

The amendments apply prospectively for periods beginning on or after 1 January 2016. Early application is permitted.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

The amendments clarify a number of aspects of IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Interests in Associates and Joint Ventures in relation to the investment entities exception:

(i) How intermediate parent entities should apply the general scope exemption to preparing consolidated financial statements provided by IFRS 10.4, when the ultimate parent is an investment entity.

The amendments clarify that so long as the entity's ultimate (or intermediate) parent produces financial statements that are in compliance with IFRS 10 (including an investment entity that accounts for its interests in all of its subsidiaries at fair value rather than consolidating them), the exemption from preparing its own consolidated financial statements is available to the intermediate parent entity (so long as the other criteria of IFRS 10.4(a) have been met).

(ii) How an investment entity parent should account for a subsidiary that provides services related to its investment activities and is also itself an investment entity. The amendments clarify that an investment entity parent consolidates a subsidiary only when:

- The subsidiary is not itself an investment entity, and
- The subsidiary's main purpose is to provide services that relate to the investment entity's
- investment activities.

(iii) How IFRS 12 should be applied to an investment entity. The amendments clarify that an investment entity that prepares financial statements in which all of its subsidiaries are measured at fair value through profit or loss

(FVTPL) is required to present the disclosures relating to investment entities as required by IFRS 12.

(iv) How a non-investment entity should account for its interests in any associates or joint ventures that are investment entities. The amendments clarify that for an entity that is not itself an investment entity but has an interest in an associate or joint venture that is an investment entity, the non-investment entity may, when applying the equity method, retain the fair value measurement applied by the investment entity associate or joint venture to account for its own interests in its subsidiaries.

The amendments are effective for annual periods beginning on or after 1 January 2016. Early application is permitted.

Equity Method in Separate Financial Statements (Amendments to IAS 27)
The amendments include the option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements.

The accounting approach that is selected is required to be applied for each category of investment. Before the amendments entities either accounted for its investments in subsidiaries, joint ventures or associates at cost or in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for those entities that have yet to adopted IFRS 9).

The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are required to be applied retrospectively. Early adoption is permitted.

Applicability of the amendments to IFRS 7 to condensed interim financial statements
A further amendment to IFRS 7 has clarified that the application of the amendment Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) issued in December 2011 is not explicitly required for all interim periods. However, it is noted that in some cases these disclosures may need to be included in condensed interim financial statements in order to comply with IAS 34.

IAS19 Employee Benefits- Discount rate: regional market issue.

The guidance in IAS 19 has been clarified and requires that high quality corporate bonds used to determine the discount rate for the accounting of employee benefits need to be denominated in the same currency as the related benefits that will be paid to the employee. Entities are required to apply the amendment from the earliest comparative period presented in the financial statements, with initial adjustments being recognised in retained earnings at the beginning of that period.

IAS 34 Interim Financial Reporting - Disclosure of information: "elsewhere in the interim financial report"

The requirements of paragraph 16A of IAS 34 require additional disclosures to be presented either in the:

- Notes to the interim financial statements or
- Elsewhere in the interim financial report.

The amendment clarifies, that a cross-reference is required, if the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or the risk report of an entity.

However, to comply with paragraph 16A of IAS 34, if the disclosures are contained in a separate document from the interim report, that document needs to be available to users of the financial statements on the same terms and at the same time as the interim report itself.

The effective date for the amendments is for annual periods beginning on or after 1 January 2016

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
2.a DEPOT AND STATION EXPENSES;			
Includes depreciation; -**GH¢9,558,964** (2014 - GH¢8,736,126)			
b. SELLING AND ADMINISTRATION EXPENSES;			
Include the following:-			
Depreciation and Amortisation	**4,139**	**3,569**	2,993
Directors' Fees & Expenses	**800**	**775**	503
Auditors' Remuneration	**131**	**96**	80
Donation and Corporate Social Responsibility	**3,047**	**2,439**	707
3. SUNDRY INCOME			
Exchange Gain	**1,708**	**1,708**	1,718
Contractors Registration	**22**	**22**	42
Miscellaneous Income	**2,113**	**2,113**	397
Various Rent	**716**	**716**	1,982
Sale of Materials	**41**	**41**	0
Profit on Sale of Property, Plant and Equipment	**0**	**0**	87
	4,600	**4,600**	4,226
4. NET FINANCE EXPENSES			
Interest Income	**1,239**	**1,239**	1,246
Bank loan interest and Other Finance Charges	**(3,070)**	**(3,041)**	(3,039)
	(1,831)	**(1,802)**	(1,793)
5. TAXATION			
Current Tax	**14,865**	**8,850**	8,165
Deferred Tax Charge/(Credit)	**1,662**	**1,637**	(707)
	16,527	**10,487**	7,458

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
6. RECONCILIATION OF EFFECTIVE TAX			
Profit before tax less rent income	**55,384**	**31,982**	27,623
Tax at applicable tax rate at 25%(2014 - 25%)	**13,846**	**7,996**	6,906
Tax effect of non-deductible expenses	**8,150**	**7,818**	5,671
Tax effect of non-chargeable income	**(2,143)**	**(2,143)**	(481)
Tax effect of capital allowances	**(5,095)**	**(4,928)**	(3,733)
Tax effect On rent income	**107**	**107**	(198)
Origination/(reversal) of temporary differences	**1,662**	**1,637**	(707)
	16,527	**10,487**	7,458
Effective tax rate (%)	**29.84**	**32.79**	27.00

7a. CURRENT TAX

GROUP	Balance at 1 January GH¢'000	Tax Paid/ Refund GH¢'000	Charge/ Credit to P&L GH¢'000	Balance at 31 Dec. GH¢'000
2010 to 2013	93	0	0	93
2014	3,564	(6,100)	0	(2,536)
2015	0	(5,700)	14,865	9,165
Total	**3,657**	**(11,800)**	**14,865**	**6,722**
COMPANY				
2010 to 2013	93	0	0	93
2014	3,564	(6,100)	0	(2,536)
2015	0	(5,700)	8,850	3,150
Total	**3,657**	**(11,800)**	**8,850**	**707**

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.

7b. DEFERRED TAXATION

Balance at 1 January	**2,885**	**2,885**	3,592
Charge/(Credit) for the year	**1,662**	**1,637**	(707)
Balance at 31 December	**4,547**	**4,522**	2,885

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2014 - 25%).

8a PROPERTY, PLANT AND EQUIPMENT

GROUP

Cost / Valuation	F'HOLD LAND & BUILDINGS GH¢'000	L'SEHOLD LAND & BUILDINGS GH¢'000	PLANT MACH. & EQUIP. GH¢'000	MOTOR VEHICLES GH¢'000	FURN. & EQUIP. GH¢'000	COMPUTERS & ACCESS. GH¢'000	CAPITAL WORK IN PROGRESS GH¢'000	TOTAL GH¢'000
Balance at 01.01.2015	1,195	87,941	51,168	8,376	2,550	968	14,857	167,055
Additions during the year	0	5,436	13,611	4,907	1,026	557	54,965	80,502
Transfers during the year	0	9,556	4,338	0	110	5	(14,009)	0
Disposals during the year	0	0	0	(574)	0	0	0	(574)
Balance at 31.12.2015	1,195	102,933	69,117	12,709	3,686	1,530	55,813	246,983
Depreciation								
Balance at 01.01.2015	69	8,269	31,164	5,215	1,476	770	0	46,963
Charges during the year	24	2,266	7,269	2,351	230	363	0	12,503
Disposal during the year	0	0	0	(524)	0	0	0	(524)
Balance at 31.12.2015	93	10,535	38,433	7,042	1,706	1,133	0	58,942
Net Book Value								
31 December 2015	**1,102**	**92,398**	**30,684**	**5,667**	**1,980**	**397**	**55,813**	**188,041**
31 December 2014	1,126	79,672	20,004	3,161	1,074	198	14,858	120,093

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

COMPANY	F'HOLD LAND & BUILDINGS	L'SEHOLD LAND & BUILDINGS	PLANT MACH. & EQUIP.	MOTOR VEHICLES	FURN. & EQUIP.	COMPUTERS & ACCESS.	CAPITAL WORK IN PROGRESS	TOTAL
Cost / Valuation	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 01.01.2015	1,195	87,941	51,168	8,376	2,550	968	14,857	167,055
Additions during the year	0	5,436	13,612	3,034	766	421	54,965	78,234
Transfers during the year	0	9,556	4,338	0	110	5	(14,009)	0
Disposals during the year	0	0	0	(574)	0	0	0	(574)
Balance at 31.12.2015	1,195	102,933	69,118	10,836	3,426	1,394	55,813	244,715
Depreciation								
Balance at 01.01.2015	69	8,269	31,164	5,215	1,475	770	0	46,962
Charges during the year	24	2,266	7,269	1,883	197	295	0	11,934
Disposal during the year	0	0	0	(524)	0	0	0	(524)
Balance at 31.12.2015	93	10,535	38,433	6,574	1,672	1,065	0	58,372
Net Book Values								
31 December 2015	**1,102**	**92,398**	**30,685**	**4,262**	**1,754**	**329**	**55,813**	**186,343**
31 December 2014	1,126	79,671	20,004	3,161	1,075	198	14,858	120,093

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.

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
9a AVAILABLE FOR SALE FINANCIAL INSTRUMENTS			
Ghana Bunkering Services Ltd.	**222**	**222**	222
Investment in Subsidiary	**0**	**30**	0
Total (Ghana) Ltd.	**5,515**	**5,515**	6,347
Tema Lube Oil Company Ltd.	**11**	**11**	11
Metro Mass Transit Company Limited	**414**	**414**	414
JUHI	**2,910**	**2,910**	2,911
	9,072	**9,102**	9,905

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

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
9b HELD TO MATURITY INVESTMENT			
Fixed Deposit	**5,366**	**5,366**	6,416
10. STOCKS & GOODS IN TRANSIT			
Trading : Fuel	**12,381**	**3,747**	1,427
Lubricants	**14,181**	**14,181**	18,485
L.P. Gas	**470**	**470**	100
	27,032	**18,398**	20,012
Non Trading : Materials	**8,459**	**6,186**	6,944
	35,491	**24,584**	26,956
Goods in Transit	**0**	**0**	252
	35,491	**24,584**	27,208
11. ACCOUNTS RECEIVABLE			
Trade Receivable	**275,439**	**232,099**	120,113
Other Receivable	**36,518**	**36,518**	39,526
Staff Receivable	**686**	**686**	593
Prepayments	**1,679**	**1,659**	1,957
	314,322	**270,962**	162,189
Less: Provision for Bad & Doubtful Debts	**(3,660)**	**(3,660)**	(1,755)
	310,662	**267,302**	160,434

The maximum amount owed by the staff in thousands of Ghana Cedis did not at one particular time exceed : 2015 GH¢686 (2014: GH¢593)

Prepayments - This represents the unexpired portion of certain expenditure spread on a time basis.

12 INTANGIBLE ASSETS	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
Balance at 1 January	**4,965**	**4,965**	3,128
Additions during the year	**1,732**	**1,732**	1,837
Balance at 31 December	**6,697**	**6,697**	4,965
Amortisation			
Balance at 1 January	**1,832**	**1,832**	839
Amortisation for the year	**1,195**	**1,195**	993
Balance at 31 December	**3,027**	**3,027**	1,832
Carrying amount			
At 31 December	**3,670**	**3,670**	3,133

This relate to the cost of rebranding and Computer Software.

13. CASH AND BANK BALANCES			
Current Account	**32,133**	**24,653**	13,302
Cash in Hand	**937**	**214**	342
	33,070	**24,867**	13,644

14. BANK OVERDRAFT			
Ghana Commercial Bank Limited	**3,335**	**3,335**	4,315
Universal Merchant Bank Limited	**15,466**	**15,466**	3,723
Prudential Bank Ghana Limited	**20,655**	**20,655**	881
First Atlantic Bank Limited	**20,203**	**20,203**	7,282
Ecobank Ghana Limited	**7,730**	**7,730**	0
Stanbic Bank Ghana Limited	**201**	**201**	0
	67,590	**67,590**	16,201

Ghana Commercial Bank Limited

The company has an overdraft facility of GH¢20,000,000 with Ghana Commercial Bank Limited at an interest rate of 25.50% and the facility expires on 31 October, 2016.

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, 2016.

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, 2016.

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, 2016.

Ecobank Ghana Limited

The company has an overdraft facility of GH¢5,000,000 with Ecobank Ghana Limited at an interest rate of 25.95% and the facility expires on 31 December, 2015.

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
15. ACCOUNTS PAYABLE			
Trade Payable	**282,309**	**255,700**	185,198
Other Payable	**79,199**	**66,489**	24,253
Accruals	**1,532**	**115**	9,978
	363,040	**322,304**	219,429
16a TERM LOAN			
Balance as at I January	**21,771**	**21,771**	10,229
Addition during the year	**22,998**	**22,998**	15,000
Loan repayment	**(12,315)**	**(12,315)**	(3,458)
	32,454	**32,454**	21,771
16b LONG TERM PORTION			
Medium Term Loan	**12,409**	**12,409**	11,250
	12,409	**12,409**	11,250
16c SHORT TERM PORTION			
Government of Ghana	**3,780**	**3,780**	3,780
Medium Term Loan	**16,265**	**16,265**	6,741
	20,045	**20,045**	10,521

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 (subject to review in line with market conditions). The facility is to refinance the company's capital expenditure.

GCB Bank Limited

The bank granted a medium term loan facility of GH¢15,000,000 to the company. The facility is due to expire on October, 2016 and interest rate is 182 day Treasury Bill Rate plus 0.5% per annum to be re-priced every six months. The facility is to finance working cpital shortfall resulting from exchange losses.

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. With respect to security the aggregate of all amounts deemed by the Bank to be outstanding under the facility shall be on an unsecured basis. However, the Bank reserves the right to review the facility from time to time and thereafter call for security should it be considered necessary.

17. STATED CAPITAL

	2015 000	2014 000
Number of authorised shares	**1,000,000,000**	1,000,000,000
Total number of issued shares	**252,223,488**	252,223,488
	GH¢'000	GH¢'000
Issued for Cash	**5,000**	5,000
issued for consideration other than cash	**6,559**	6,559
Transfer from Income Surplus	**20,250**	20,250
	31,809	31,809

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.

Balance at 1 January	**3,883**	2,534
Transfer from Income Surplus	**1,979**	1,008
Interest earned on amount invested	**432**	341
Balance at 31 December	**6,294**	3,883

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¢	2015 GH¢	2014 GH¢
Balance at 1 January 2015	6,150	3,906	**10,056**	8,975
Revaluation	(832)	0	**(832)**	1,082
Balance at 31 December 2015	5,318	3,906	**9,224**	10,057

21. DIVIDEND

Final Dividend paid was GH¢0.020 per Share (2013; GH¢0.0160	**5,044**	4,034
per Share) Payments during the year	**(5,044)**	(4,034)
	0	0

A final dividend of **GH¢0.025** per share amounting to **GH¢6,305,587** has been proposed for the year ended 31 December 2015. (2014: GH¢0.020 per share, amounting to GH¢5,044,470)

22 FINANCIAL RISK MANAGEMENT (GROUP)

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, th company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

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

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

The company's Audit and Finance Committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of risk management framework in relation to the risks faced by the company. This committe 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.

Exposure to credit risks (Group)

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

	Group 2015 GH¢'000	Company 2015 GH¢'000	Company 2014 GH¢'000
Available for sale Financial Assets	**9,072**	**9,102**	9,905
Loans and Receivables	**310,662**	**267,302**	160,434
Cash and Cash Equivalents	**33,070**	**24,867**	13,644
	352,804	**301,271**	183,983

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

Public Institutions	**275,439**	**232,099**	120,113

Impairment Losses (Group)

		2015		2014
	Gross GH¢'000	Impairment GH¢'000	Gross GH¢'000	Impairment GH¢'000
Past due after 0 - 180 days	**275,439**	**0**	120,113	0

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

	2015 GH¢'000	2014 GH¢'000
Trade Receivables	**275,439**	120,113
Impairment loss recognised	**(3,660)**	(1,755)
Balance at 31 December	**271,779**	118,358

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 (Group);

31 December 2015

Non-derivative financial liability	**Amount**	**6 mths or less**	**6-12 mths**	**1-3 years**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Secured bank loans	32,454	10,023	10,023	12,409
Trade and other payables	363,040	363,040	0	0
Bank overdraft	67,590	67,590	0	0
Balance at 31 December 2015	**463,084**	**440,653**	**10,023**	**12,409**

31 December 2014

Non-derivative financial liability	**Amount**	**6 mths or less**	**6-12 mths**	**1-3 years**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Secured bank loans	21,771	5,260	5,261	11,250
Trade and other payables	219,429	219,429	0	0
Bank overdraft	16,201	16,201	0	0
Balance at 31 December 2014	**257,401**	**240,890**	**5,261**	**11,250**

Market risks

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

Foreign currency risk

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

Interest rate risk

Profile

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

	Carrying amount	
	2015	2014
Variable rate instrument	**GH¢'000**	GH¢'000
Financial liabilities	**100,044**	37,972

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2015 and also at 31 December 2014.

23 FAIR VALUES (GROUP)

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 2015		31 December 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loans and Receivables	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Trade and Other Receivables	310,662	310,662	160,434	160,434
Cash and Cash Equivalents	33,070	33,070	13,644	13,644
Held to Maturity Investments	5,366	5,366	6,416	6,416
	349,098	349,098	180,494	180,494
Available for Sale Financial Instrument				
Long Term Investment	9,072	9,072	9,905	9,905
Other Financial Liabilities				
Secured Bank Loan	32,454	32,454	21,771	21,771
Trade and Other Payables	363,040	363,040	219,429	219,429
Bank Overdraft	67,590	67,590	16,201	16,201
	463,084	463,084	257,401	257,401

24 CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the balance sheet date as at 31 December 2015 and also as at 31 December 2014.

25 EMPLOYEE BENEFITS

Deferred Contribution Plans

Social Security

Under a National Deferred Benefit Pension Scheme, the company contributes 13% 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 scheme for the staff under which the company contributes 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.

	Group 2015 GH¢'000	Company 2014 GH¢'000
26. RELATED PARTY TRANSACTIONS		
Payable	**166,686**	0

This represents petroleum products purchased from Goenergy Company Limited which is wholly owned by Ghana Oil Company Limited during the year. The amounts owed to the subsidiary is unsecured, interest free, and have no fixed term of repayment. The balance will be settled in cash. No guarantees have been given or received.

Remuneration of Executive Director and other key management personnel

Salaries and other short term benefits	**1,782**	1,389
Employer social security charges on emoluments	**231**	180
	2,013	1,569

27. NUMBER OF SHARES IN ISSUE

Earning, Dividend per share are based on 252,223,488, (2014; 252,223,488).

28. BASIC EARNINGS PER SHARE (GROUP)

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue

Profit attributable to equity holders	**39,573**	22,211
Weighted average number of ordinary shares ('000)	**252,223**	252,223
Basic earnings per share (Ghana cedis per share)	**0.157**	0.088

29. CONTINGENT LIABILITIES

Claims that could arise from pending suits against the company at the year-end amounted to GH¢180,000 (2014; GH¢ nil)

30. 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	PETROGULF GHANA LIMITED	12,587,732	4.99
4	THE QUANTUM GROUP LIMITED	9,960,651	3.95
5	HOPEFIELD CAPITAL LIMITED	8,229,387	3.26
6	MR. DANIEL OFORI	1,091,138	0.43
7	SCBN/ELAC POLICY HOLDERS FUND	910,924	0.36
8	SCGN/RBC HYPOSWISS (LUX) FUND-AFRICA	456,000	0.18
9	SCBN/DATABANK BALANCE FUND LTD.	453,840	0.18
10	MR VICTOR KWADWO DJANGMAH	412,440	0.16
11	DONEWELL LIFE COMPANY LIMITED	384,187	0.15
12	ZHAO HAIJUN	368,731	0.15
13	STD NOM/METLIFE CLASSIC FUND	341,540	0.14
14	SIC GENERAL BUSINESS	300,421	0.12
15	GLICO GEN. INSURANCE COMPANY LIMITED	268,674	0.11
16	SCGN/PETRA ADVANTAGE PORTFOLIO	246,800	0.10
17	SCGN/ENTERPRISE PIER 2 OCCUPATIONAL	239,248	0.09
18	HFCN/EDC GHANA BALANCE FUND LIMITED	231,960	0.09
19	OPARE-SEM DANIEL KWADWO MR.	200,060	0.08
20	SCBN/SAS FORTUNE FUND	186,000	0.07
TOTALS OF TWENTY LARGEST SHAREHOLDERS		**212,459,191**	**84.23**
TOTALS OF OTHERS		**39,764,297**	**15.77**
GRAND TOTALS		**252,223,488**	**100.00**

31. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	8,379	3,997,644	1.58
1,001 - 5,000	5,133	9,954,016	3.95
5,001 - 10,000	834	5,343,157	2.12
10,001 - 50,000	643	12,826,080	5.09
50,001 - 999,999,999	110	220,102,591	87.26
		252,223,488	**100.00**

32. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES	% OF ISSUED SHARES
Prof. William A. Asomaning	20,000	0.0079
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
Ms. Faustina Nelson	79,066	0.0313
Mr. Patrick Akpe Kwame Akorli	138,810	0.0550
	262,218	**0.1040**

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, 12th May, 2016 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, 2015
2	In favour of *against	The Resolution to declare a dividend with respect to the Year ended December 31, 2015 as recommended by the Directors.
3	In favour of *against	The re-election of Mr. Kwesi Yankah
4	In favour of *against	The re-election of Mad. Faustina Nelson
5	In favour of *against	The re-election of Mr. Damian Y. Zaato
6	In favour of *against	The Resolution to authorize the Directors to fix the remuneration of the Auditors
7	In favour of *against	The Resolution to fix the remuneration of Directors

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 ________ 2016 ______________________

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.

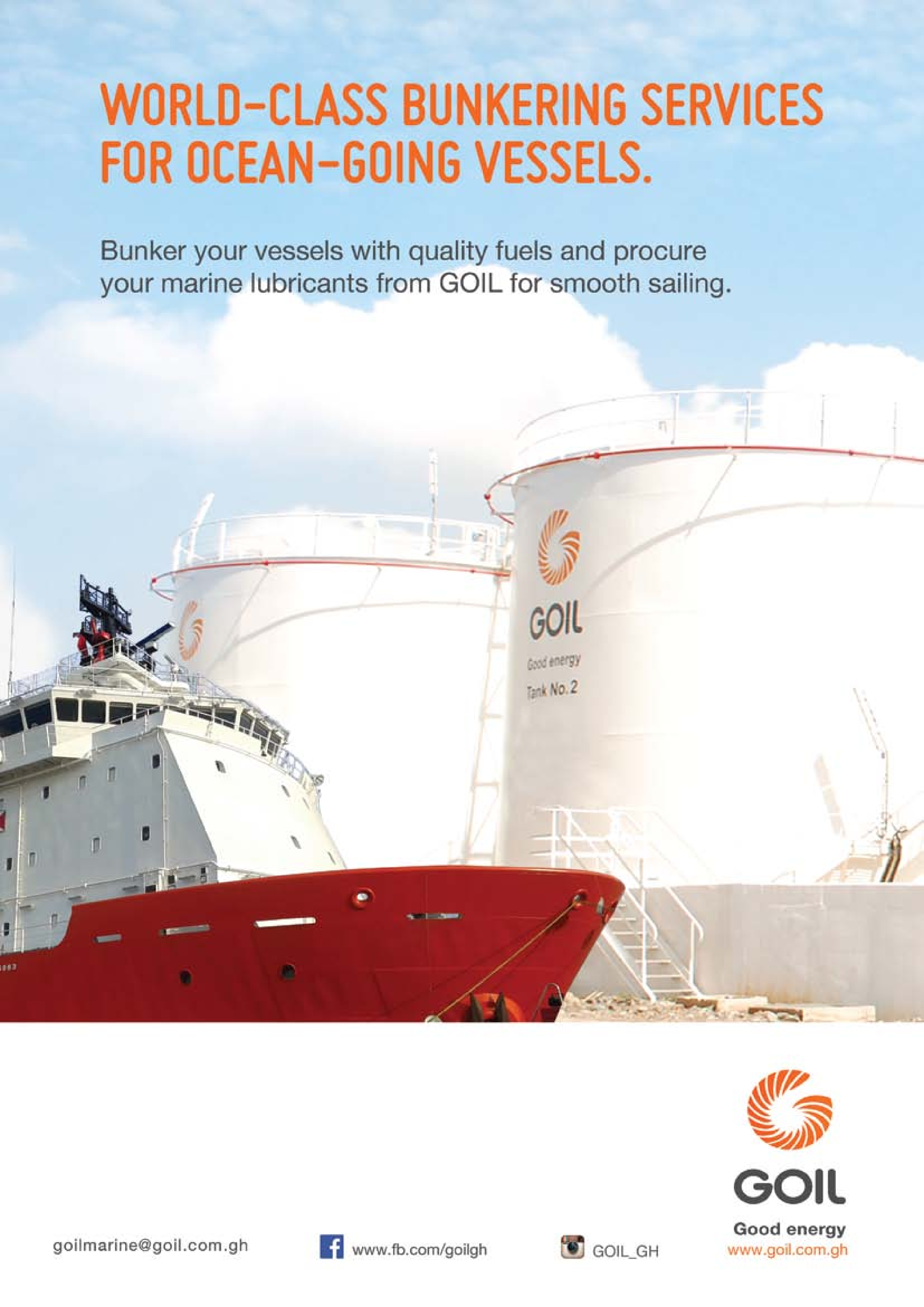
2. Provision has been made on the Form for PROF. WILLIAM AFIAKWA ASOMANING, the Chairman of the meeting to act as your proxy but if you so wish, you may insert in the blank space the name of any person whether a member of the Company or not who will attend the meeting and vote on your behalf instead 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, 10th May, 2016.

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