ANNUAL REPORT & FINANCIAL STATEMENTS

2016

GOIL

Good energy

Ghana Oil Company Limited
Annual Report and Financial Statements 2016

CONTENTS

COMPANY INFORMATION	2
NOTICE OF ANNUAL GENERAL MEETING	3
RESOLUTIONS	4
BOARD OF DIRECTORS	5
MANAGEMENT TEAM	6
CHAIRMAN'S ADDRESS	7 - 10
CORPORATE EVENTS	11 - 12
PERFORMANCE AT A GLANCE (2012 - 2016)	13
REPORT OF DIRECTORS	14
REPORT OF AUDITORS	15 - 16
STATEMENT OF COMPREHENSIVE INCOME	17 - 18
STATEMENT OF FINANCIAL POSITION	19
STATEMENT OF CHANGES IN EQUITY	20
STATEMENT OF CASH FLOW	21
NOTES TO THE FINANCIAL STATEMENTS	22 - 44
CONSOLIDATED COMPREHENSIVE INCOME	45
NOTES	46
PROXY FORM	47

GOIL
Good energy

Company Information

Board Of Directors:	Prof. William A. Asomaning	*- Chairman*
	Mr. Patrick Akpe Kwame Akorli	*- Group CEO & MD*
	Nana Esuman Kwesi Yankah	*- Member*
	Mr. Eugene Akoto-Bamfo	*- Member*
	Mr. Chris A-Ackummey	*- Member*
	Mad. Faustina Nelson	*- Member*
	Mr. Thomas Kofi Manu	*- Member*
	Mr. Damian Yelbonkang Zaato	*- Member*
	Aihaji Razak El-Alawa	*- Member*

Secretary: Nana Ama Kusi-Appouh

Auditors:
PKF
Chartered Accountants
Farrar Avenue
P.O. Box 1219
Accra

Registered Office:
D 659/4, Kojo Thompson Road
P.O. Box GP 3183
Accra

Registrars:
UMB Registrars
123 Kwame Nkrumah Avenue
Sethi Plaza
Adabraka, Accra

Bankers:
GCB Bank Limited
Standard Chartered Bank Ghana Limited
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 Bank Ghana Limited
National Investment Bank Limited
Societe Generale Ghana Limited
Stanbic Bank Ghana Limited
United Bank for Africa (Ghana) Limited
GN Bank
Unibank (Ghana) Limited
Access Bank Ghana Limited

Notice Of 48th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 48th 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, 18th May, 2017 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 31 December 2016

2. To declare a dividend for the year ended 31 December 2016

3. To elect Directors

4. To authorise the Directors to fix the remuneration of the Auditors

5. To fix the remuneration of the Directors

DATED AT ACCRA THE 20TH DAY OF APRIL, 2017
BY ORDER OF THE BOARD

Nana Ama Kusi-Appouh
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 48 hours deadline will result in the Proxy not being admitted to or participating in the meeting. A Form of Proxy to be used is enclosed herewith.

Resolutions To Be Passed At The Annual General Meeting

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

1. **To Receive the 2016 Accounts**
   The Board shall propose the acceptance of the 2016 Accounts as the true and fair view of the state of affairs of the Company for the year ended 31 December 2016 and of its performance for the year then ended.

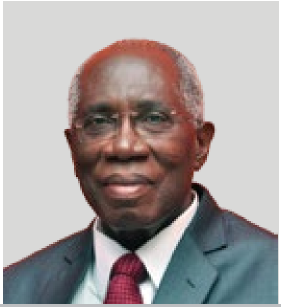
2. **To Declare a Dividend**
   The Directors recommend the payment of a dividend of GHS0.025 per share amounting to GHS9,796,578.00 for the year ended 31 December 2016.

3. **To Elect Directors**
   Seven members of the Board made of five (5) Government Representatives and two (2) Representatives of Social Security and National Insurance Trust (SSNIT) will retire from office, and elect directors.

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 PKF 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

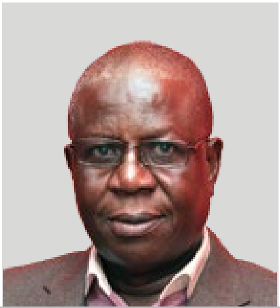
Alhaji Abdul R. El-Alawa
Member

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

Management Team

Mr. Patrick Akpe Kwame Akorli
Group CEO & Managing Director

Mr. Gyamfi Amanquah
Chief Operating Officer, Goenergy

Mr. Alex Josiah Adzew
Chief Operating Officer, GOIL

Mr. Cyril Opon
Head, Administration & Human Resource

Mr. Erasmus Ofori Sarkwa
Head, Finance

Mr. Benjamin Torkornoo
Head, Operations

Mr. Anthony Twumasi
Head, Research, Planning & Information Technology

Mr. Marcus Deo Dake
Head, Fuels Marketing

Ms. Nana Ama Kusi-Appouh
Solicitor/Secretary

Mrs Rosemond Awotwi-Frempong
Head, Corporate Affairs

Mr. John Botchway Tagoe
Head, Technical & Special Products

Mr. Martin Olu-Davies
Head, Health, Safety, Security & Environment

Mr Joseph K. Nyarko
Retired

Mr Samuel T. Korboe
Retired

Mr Stephen Yaw Gyaben
Retired

Mr. Kofi Ansah-Otoo
Chief Internal Auditor

Chairman's Address

Introduction

Good Morning, and welcome to the 48th Annual General Meeting (AGM) of our Company, Ghana Oil Company Limited (GOIL).

I am your Chairman, Prof. William A. Asomaning.

Permit me to particularly welcome Shareholders attending their first AGM today as well as all prospective Shareholders both present and abroad who will be joining us in the near future.

Fellow Shareholders, with your permission, I invite you to walk briefly with me through the last 8 years because, I believe the vision during these years have been instrumental in our successes during the year in review. Your Board was able to take some bold decisions, which were efficiently implemented by Management.

In 2009, Diesel XP and Super XP Fuels were introduced onto the market and GOIL Aviation was set up. The Company took advantage of the oil discovery and started delivering Marine Gas Oil (MGO) to supply vessels working for the exploration and production companies and Jet A-1 fuel to helicopters moving to and from the oil rigs.

In 2011, the Company initiated a rebranding exercise by subsequently launching and out-dooring the first rebranded service station at South-La in May 2012. The rebranding campaign was aimed at changing the logo, station-outlook, and most importantly, adopting a new corporate culture dubbed, 'Good Energy comes with a Smile.' This was quite an expensive initiative but we firmly believed that it would change the fortunes of the Company.

In 2013, the nation was hit with fuel shortages and the Bulk Distribution Companies (BDCs) resorted to selling on cash basis, with no guarantee of uninterrupted fuel supplies. GOIL in order to secure constant supply of petroleum products to our customers decided to set up a BDC, Goenergy Company Limited (Goenergy) in 2014, to fulfil its petroleum supply requirements.

Dear Shareholders, it is with much pleasure that I wish to inform you that the alliance between BOST/Goenergy and GOIL really worked well in stabilising market prices for the benefit of our cherished customers. We achieved this success without any subsidies from Government contrary to assertions by a section of the industry. The fact is that government owes GOIL due to supplies to the security services. I am sure if the subsidy story were true, government would rather use the funds to pay up its debts than subsidise a commercial enterprise like GOIL.

In 2015, GOIL also installed a 34m^3 containerized Aviation Turbine Kerosene (ATK) tank at the Kumasi Airport to supply fuel to airlines engaged in domestic flights. As part of our strategy to supply MGO for upstream activities, the Company successfully installed and commissioned a 3-storage tank farm of total capacity 3,800m^3 at Sekondi Naval Base. In addition, GOIL on the 5th of April 2017, commissioned a 13,500m^3 capacity modern, fully automated 3-tank storage facility at Takoradi Harbour to store and supply MGO to meet the ever increasing demand by supply vessels. The Company also fully rehabilitated a 2,400m^3 joint venture MGO storage facility at Tema (Ghana Bunkering Service (GBS)).

When this Board took over in March 2009, our market share was 13.6% as the third largest Oil Marketing Company (OMC), and by December 2016, our market share had risen to 18.2% making GOIL the market leader in Ghana today. This is no mean achievement considering that the number of OMCs have increased from about 10 to 100, over the said period.

Environment

The Economic Outlook
For much of 2016, the government made efforts to cut down on spending in order to reduce fiscal deficit. This resulted in lower than expected growth in Real Gross Domestic Product (Real GDP) which stood at 3.6%. Ghana's inflation as at December 2016 was 15.4% compared to 17.7% recorded in December 2015. The cedi recorded a cumulative depreciation of 9.6% against the US dollar at the end of 2016. (Source: Ghana's 2017 Budget Statement).

The Oil Industry
In spite of the decline in the price of crude oil and refined products internationally, fuel prices were relatively high in Ghana due to the introduction of 17.5% special petroleum tax and energy levies in November 2014 as well as the depreciation of the cedi.

Operating and Financial Performance

In the year 2016, the combination of good financial and operating strategies contributed to our Company's success. This performance was as a result of increase in the number of active retail stations, improvement in service delivery, stringent measures to operate in a safe environment, and last but not least, improved quality control measures.

GOIL achieved 95.8% of its fuel sales target in spite of the tight competition in the industry. Despite a fall of about 5.6% in national consumption of fuel products, the Company grew fuel sales by 9.8% during 2016. LPG sales grew by 30% compared to 2015. Lubricant sales also improved by 11% compared to 2015. GOIL remains the biggest OMC with a market share of 18.2%.

In 2016, the Company undertook a rights issue to raise additional capital of GHS150 million to undertake certain key projects among which are the Takoradi Harbour project mentioned earlier, the construction of a bitumen plant and a lubricant blending plant in Tema.

The Company achieved a turnover of GHS2,645.441 million in 2016 representing a 26.95% increase over 2015. Net profit after tax grew from GHS22.211 million in 2015 to GHS35.256 million in 2016 representing 58.73% increase over 2015.

Our Company also contributed GHS617.072 million, GHS14.742 million and GHS6.037 million as customs, duties and levies, income tax and dividend payment, respectively.

I am delighted to say that the Company's asset base has grown by over 500% since this Board took over in 2009. GOIL has started an exercise to revalue its landed properties and plant and machinery to establish the true value of these assets. The exercise is on-going.

Dividend
I am pleased to inform Shareholders that the board is recommending a dividend payment of GHS0.025 per share this year.

Challenges
Challenges in the Company's operations as identified last year, such as impact of high taxes on petroleum products, high interest rates and the new industry regulations that made it difficult to acquire suitable land to construct stations amongst others, persisted. Operational expenditure went up by 4% compared to the year 2015 due to the increasing cost of maintaining generator sets, fuel dispensing pumps and other equipment. Cost reduction measures such as introduction of energy saving initiatives like LED lights, automatic price changes both at the pump and signages, electronic archiving and filing system were implemented to reduce operational expenditure.

Health, Safety, Security & Environment

At GOIL we continue to work to keep our employees, contractors and customers safe by focusing on adherence to safety regulations.

We have strengthened our safety culture through change management programmes, reinforcing safety rules through display of posters and other capacity building programmes.

We have efficiently used our fuel analysers to test product quality and resolved complaints and enquiries in a timely manner. This has instilled a high level of customer confidence and satisfaction amongst our stakeholders.

International Standard Organisation (ISO) Certification

In 2014, the Company standardized its internal processes and procedures and obtained an ISO Certification. I am pleased to announce that we have again passed the rigorous Quality Management Systems (QMS) audit and have been certified with the latest ISO 9001:2015. This ISO certification demonstrates our dedication to continual improvement and superior performance in our core competence of receipts, storage, distribution and marketing of petroleum products.

Training

We at GOIL, see training as an essential tool for increasing productivity in the organization. Training at all levels has been keenly considered in the past year as an important incentive capable of spurning employees to put in their best to achieve the organizational goals and objectives.

During the year under review, management members and mid-level managers attended various training programmes organized by reputable institutions within the country and abroad. A large number of employees also received in-house training to bring them up to date on key industry issues. We believe that in this industry, the nature of work is constantly changing and emerging new technologies require new work skills and continual upgrading which was largely fulfilled during the year.

Intensive training for all dealers and service station attendants were carried out on a quarterly basis. The training centred on health, safety, customer care and product knowledge.

Corporate Social Responsibility (CSR)

Central to GOIL's good governance policies are corporate social responsibility programmes. The core of GOIL'S Corporate Social Responsibility programmes has therefore been anchored on initiatives, programmes and projects that benefit communities in need.

Water and Sanitation

During the year under review, GOIL continued its community water supply projects by providing potable drinking water to deprived communities across the country. In all, over 40,000 residents in seven communities such as Old Ebo (Central Region), Amoani (Central Region), Kyebi (2) (Eastern Region), Dontieso (Ashanti Region), Gyakiti (2) (Eastern Region), and institutions such as Boso Senior Technical School, Kwanyarko Senior High, Nifa Senior High-Lateh, Amedzofe College of Education and Gyakiti Hospital benefitted from mechanized borehole projects.

Sports Development

GOIL also took the initiative to support sports development by helping to promote the country's local league through the support of the country's two biggest traditional clubs- Asante Kotoko FC and Hearts Of Oak FC.

Health

Again as part of its corporate social responsibility, GOIL donated a Toyota Hiace bus to the Ghana National Blood Service at the Korle-Bu Teaching Hospital to support its daily operations. Management, staff and service station attendants also donated blood to store up the depleting stock of the National Blood Bank.

GOIL has procured 1,200 hospital beds for distribution to Regional and District Government Hospitals to help solve the lack of beds for In-patients.

Institutions such as the Kaneshie Secondary Technical and homes such as the 'Village of Hope' orphanage amongst others were also supported in their activities in 2016.

Corporate Governance

The driving force of our Company is to guarantee fairness for every stakeholder. We therefore believe corporate governance practices are critical to heighten and maintain investor trust.

Our Board thus exercises its fiduciary responsibilities in the widest sense of the term. Board meetings are conducted regularly as well as emergency meetings to consider corporate issues requiring approvals and ratification of the Board. The Board is assisted by the Apex Committee and the Operations & Marketing Committee which meet to make recommendations to the Board.

Future Prospects

The Company sees a number of growth opportunities on the horizon. GOIL will continue to acquire infrastructure and technology to improve sales in all its existing businesses.

GOIL will pursue its product diversification strategy. The year 2017 will see the construction of a bitumen plant in Tema. The Company considers this project vital since access to bitumen by road contractors will be made easier when the plant becomes operational.

GOIL will continue to partner with other companies to fully utilize our station forecourts thus increasing other income for all cherished Shareholders.

Awards and Recognitions

In 2016, our Company won the following awards:

- Chartered Institute of Marketing Ghana (CIMG) Petroleum Company of the Year – 2015;
- Ghana Club 100 Largest Company – 2015;
- Ghana Club 100 2nd Best Company – 2015;
- Ghana Club 100 Best Listed Company on the Ghana Stock Exchange – 2015;
- Gold Award for Business Excellence, Western Regional Business Awards – 2015;
- Best Oil Marketing Company, Ashanti Excellence Awards – 2015;

In addition, the Group CEO & Managing Director was awarded CIMG Marketing Man of the Year 2015.

Acknowledgements

On behalf of the Board, I acknowledge and thank the GOIL family for a successful and remarkable 8 years at the helm of affairs.

After a challenging year and delivery of a good financial performance, I would like to thank Shareholders for their investment. I also want to thank all those whose contribution, whether small or big, underpinned the desirable results the Company achieved.

Corporate Events

As part of efforts to save lives, GOIL staff donated blood to stock the Korle-Bu blood bank

Brand Ambassador, Azumah Nelson speaking to drivers during a lubricant promotion campaign

Donation of ten thousand cedis in aid of the construction of a borehole project for Boso Senior Technical School in the Eastern Region

Group CEO and MD, Patrick Akorli assisting in the pumping of water from a newly-commissioned borehole project in the Volta Region

Inauguration of one of GOIL sponsored borehole projects in the Eastern Region

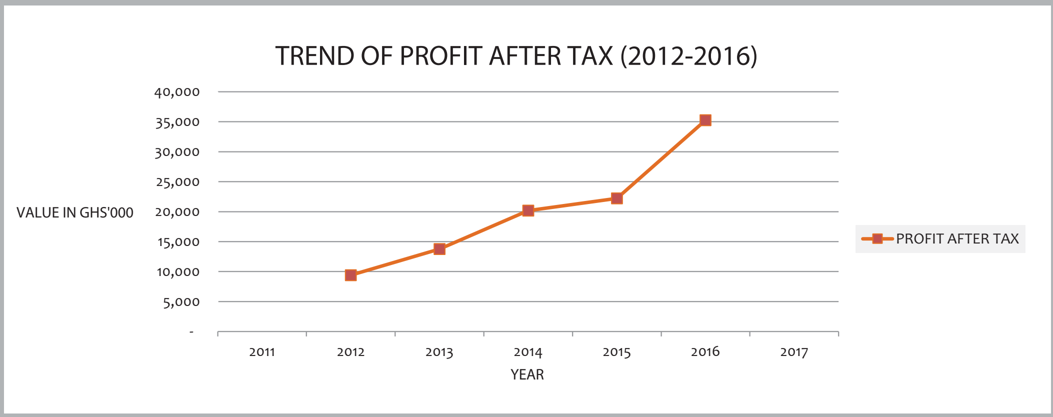
Hearts and Kotoko officials in a photo opportunity with the Group CEO and MD, Mr Patrick Akorli and GOIL's Brand Ambassador, Barima Azumah Nelson

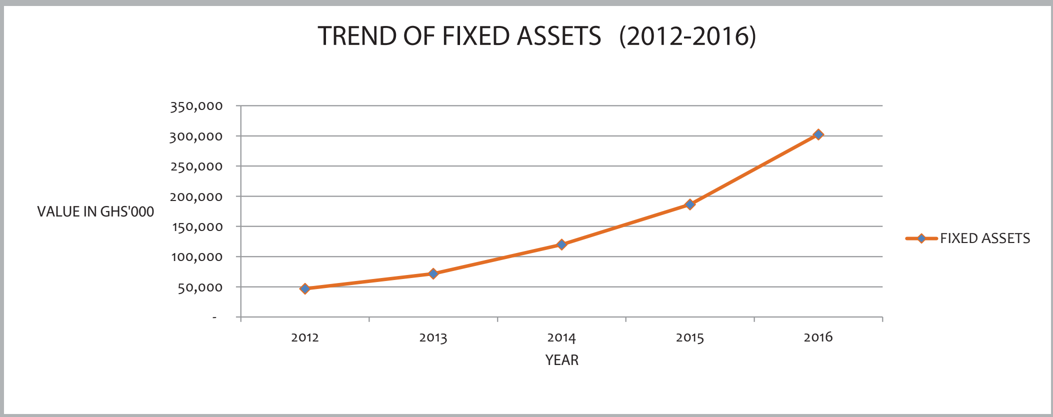
A modern borehole project being commissioned in the Eastern Region

More than 95 pints of blood were collected during the voluntary blood donation exercise to stock the National Blood Bank

Toyota Hiace bus donated by GOIL to the National Blood Service at the Korle-Bu Teaching Hospital as part of corporate social responsibility

Performance At A Glance (2012 - 2016)





REPORT OF THE DIRECTORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

In accordance with the requirements of section 132 ofthe Companies Code 1963 (Act 179), we the Board of Directors of Ghana Oil Company Limited, present herewith the annual report on the state of affairs of the Company and its Subsidiary for the year ended December 31, 2016

RESULTS OF OPERATIONS

	Group 2016 GHS'000	2015 GHS'000	Company 2016 GHS'000	2015 GHS'000
Gross Sales	**4,111,463**	3,760,389	**2,645,441**	2,083,896
Customs Duties and Levies	**(617,072)**	(129,391)	**(617,072)**	(129,391)
Net Sales	**3,494,391**	3,630,998	**2,028,369**	1,954,505
Profit for the year	**75,070**	56,100	**49,998**	32,698
from which is deducted; provision for estimated income tax of	**(21,422)**	(16,527)	**(14,742)**	(10,487)
leaving a net profit after tax of	**53,648**	39,573	**35,256**	22,211
to which is added the income surplus brought forward from the previous year of	**63,692**	31,142	**47,198**	31,142
	117,340	70,715	**82,454**	53,353
Less: final dividend paid; for 2015 at GHS0.025 per share (2014 at GHS0.020 per share)	**(6,037)**	(5,044)	**(6,037)**	(5,044)
Transfer to building fund	**(2,682)**	(1,979)	**(1,763)**	(1,111)
	108,621	63,692	**74,654**	47,198

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 34.23% of the shares while the other 65.77% are owned by individuals and other corporate bodies.

REPORT OF THE DIRECTORS ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Group CEO & MD	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	12.05.2016
Mad. Faustina Nelson	Member	Re-elected	12.05.2016
Mr. Damian Yelbonkang Zaato	Member	Re-elected	12.05.2016
Alhaji Razak El-Alawa	Member	Appointed	30.04.2015

DIVIDEND
Final dividend of GHS0.025 per share amounting to GHS6,037,344.00 was paid during the year. A final dividend of GHS0.025 per share amounting to GHS9,796,578.00 has been proposed for the year ended 31 December 2016, (2015: GHS0.025 per share, amounting to GHS6,037,344.00)

SUBSIDIARY
Goenergy Company Limited, a company incorporated in Ghana as a 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 31 December 2016, which materially affect the financial statements of the Company for the year ended on that date.

....Director

Prof. William A. Asomaning
Chairman

....Director

Mr. Patrick Akpe Kwame Akorli
Group CEO and MD

18th April, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GHANA OIL COMPANY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2016

PKF
Accountants &
Business Advisers

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Ghana Oil Company Limited and its subsidiary, which comprise the statement of financial position as at 31 December, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
In our opinion, the accompanying financial statements give a true and fair view of the financial position of Ghana Oil Company Limited and its subsidiary as at 31 December, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179), Securities Industry Act 2016 (Act 929) and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters
As at 31 December, 2016 gross trade receivables amounted to GH¢363.0 million of which impairment provision of GH¢4.3 million were recorded. We focused on the recoverability of trade debtors because management exercises significant judgement in determining the credit worthiness of its customers.

The basis of the provisions and critical judgments relating to the calculation of the impairment provisions are summarized in note 'xiiv' in the notes to the financial statements. The judgement reflects information considered by management, including age of the outstanding debts and the debtors' payment history. The gross trade receivables and related impairment provisions are disclosed in note 11 to the financial statement.

How our audit addressed the key audit matter.
We updated our understanding and tested the operating effectiveness of management's controls over trade receivables process.
We assessed the reasonableness of, management's judgement by testing the aging of debtors and recomputed the impairment provisions based on the observable loss experience of debtors.
We tested subsequent receipts from selected debtors to assess the recoverability of debtors at the year end.
We tested the aging of debtors prepared by management and recomputed the expected impairment provisions based on that aging.
For trade receivables with specific impairment provision, we assessed the reasonableness of management's judgement.
We reviewed and tested subsequent receipts for selected debtors to assess their recoverability.

Other Information included in the financial statements
The Board of Directors is responsible for the other information. The other information comprises Report of the Directors and Corporate Governance but does not include the Company financial statements and our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and in doing so, we consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on our work performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. However we have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements
The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), Securities Industry Act 2016 (Act 929) and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

ur objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) In our opinion proper books of accounts have been kept by the Company, so far as appears from our examination of those books, and

iii) The Company's statement of financial position and statement of comprehensive income are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Bruce-Tagoe (ICAG/P/1087).

Signed by: F. Bruce-Tagoe(ICAG/P/1087)
For and on behalf of
PKF: (ICAG/F/2013/039) | Chartered Accountants
Farrar Avenue | P.O. Box GP1219, Accra.

18th April, 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Group 2016 GHS'000	Group 2015 GHS'000	Company 2016 GHS'000	Company 2015 GHS'000
Gross Revenue		**4,111,463**	3,760,389	**2,645,441**	2,083,896
Customs Duties and Levies		**(617,072)**	(129,391)	**(617,072)**	(129,391)
Net Revenue		**3,494,391**	3,630,998	**2,028,369**	1,954,505
Cost of Sales		**(3,316,562)**	(3,491,696)	**(1,882,756)**	(1,844,195)
Gross Profit		**177,829**	139,302	**145,613**	110,310
Sundry Income	*3*	**15,087**	4,600	**15,087**	4,600
Depot and Station Expenses	*2a.*	**(40,850)**	(22,346)	**(40,091)**	(22,205)
Selling & Administrative Expenses	*2b.*	**(84,028)**	(63,625)	**(77,679)**	(58,205)
Operating profit before financing cost		**68,038**	57,931	**42,930**	34,500
Net Finance Income/(Expenses)	*4*	**7,032**	(1,831)	**7,068**	(1,802)
Profit before Taxation		**75,070**	56,100	**49,998**	32,698
Income Tax Expense	*5*	**(21,422)**	(16,527)	**(14,742)**	(10,487)
Net Profit After Tax Attributable to Equity Holders of the Company		**53,648**	39,573	**35,256**	22,211
Other Comprehensive Income Available-for-Sale Financial Assets	*20*	**(3,454)**	(832)	**(3,454)**	(832)
Total Other Comprehensive Income		**(3,454)**	(832)	**(3,454)**	(832)
Total Comprehensive Income for the year		**50,194**	38,741	**31,802**	21,379
Earnings per share (GHS)	*28*	**0.137**	0.157	**0.090**	0.088
Dividend per share (GHS)	*27*	0.025	0.025	0.025	0.025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		Group		Company	
		2016	2015	2016	2015
NON CURRENT ASSETS	Notes	GHS'000	GHS'000	GHS'000	GHS'000
Property, Plant and Equipment	8a	**305,206**	188,041	**302,478**	186,343
Intangible Asset	12	**4,204**	3,670	**4,204**	3,670
Available for Sale Financial Instruments	9a	**5,618**	9,072	**5,648**	9,102
TOTAL NON CURRENT ASSETS		**315,028**	200,783	**312,330**	199,115
CURRENT ASSETS					
Stocks	10	**47,940**	35,491	**29,594**	24,584
Accounts Receivable	11	**374,074**	310,662	**313,983**	267,302
Held to Maturity Investments	9b	**56,836**	5,366	**56,836**	5,366
Current Tax	7a	**5,293**	o	**6,046**	o
Cash and Bank Balances	13	**69,251**	33,070	**39,554**	24,867
TOTAL CURRENT		**553,394**	384,589	**446,013**	322,119
ASSETS TOTAL ASSETS		**868,422**	585,372	**758,343**	521,234
EQUITY					
Stated Capital	17	**185,589**	31,809	**185,589**	31,809
Building Fund	18	**9,575**	6,294	**7,788**	5,426
Income Surplus	19	**108,621**	63,692	**74,654**	47,198
Capital Surplus	20	**5,770**	9,224	**5,770**	9,224
TOTAL EQUITY		**309,555**	111,019	**273,801**	93,657
NON CURRENT LIABILITIES					
Deferred Tax	7b	**10,107**	4,547	**9,982**	4,522
Non Current Term Loan	16b	**1,633**	12,409	**1,633**	12,409
TOTAL NON CURRENT LIABILITIES		**11,740**	16,956	**11,615**	16,931
CURRENT LIABILITIES					
Bank Overdraft	14	**41,383**	67,590	**41,383**	67,590
Accounts Payable	15	**494,651**	363,040	**420,451**	322,304
Current Portion of Term Loan	16c	**11,093**	20,045	**11,093**	20,045
Company Income Tax	7a	**0**	6,722	**0**	707
TOTAL CURRENT LIABILITIES		**547,127**	457,397	**472,927**	410,646
TOTAL LIABILITIES		**558,867**	474,353	**484,542**	427,577
TOTAL EQUITY AND LIABILITIES		**868,422**	585,372	**758,343**	521,234

Approved by the Board on 18th April, 2017

....**Director**

Prof. William A. Asomaning
Chairman

....**Director**

Mr. Patrick Akpe Kwame Akorli
Group CEO and MD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

GROUP 2016	Stated Capital GHS'000	Building Fund GHS'000	Income Surplus GHS'000	Capital Surplus GHS'000	Totals GHS'000
Balance at 1 January 2016	31,809	6,294	63,692	9,224	111,019
Additional Capital	153,780	0	0	0	153,780
Net profit for the year	0	0	53,648	0	53,648
Transfer to Building Fund	0	2,682	(2,682)	0	0
Interest Earned on Amount Invested	0	599	0	0	599
Revaluation Loss on Available for Sale Investments	0	0	0	(3,454)	(3,454)
Dividend paid	0	0	(6,037)	0	(6,037)
Balance at 31 December 2016	**185,589**	**9,575**	**108,621**	**5,770**	**309,555**
2015					
Balance at 1 January 2015	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 2015	**31,809**	**6,294**	**63,692**	**9,224**	**111,019**
COMPANY					
Balance at 1 January 2016	31,809	5,426	47,198	9,224	93,657
Additional Capital	153,780	0	0	0	153,780
Net profit for the year	0	0	35,256	0	35,256
Transfer to Building Fund	0	1,763	(1,763)	0	0
Interest Earned on Amount Invested	0	599	0	0	599
Revaluation Loss on Available for Sale Investments	0	0	0	(3,454)	(3,454)
Dividend paid	0	0	(6,037)	0	(6,037)
Balance at 31 December 2016	**185,589**	**7,788**	**74,654**	**5,770**	**273,801**
2015					
Balance at 1 January 2015	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 Gain on Available for Sale Investments	0	0	0	(832)	(832)
Dividend paid	0	0	(5,044)	0	(5,044)
Balance at 31 December 2015	**31,809**	**5,426**	**47,198**	**9,224**	**93,657**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Group 2016 GHS'000	2015 GHS'000	Company 2016 GHS'000	2015 GHS'000
Cash flow from operating activities				
Operating Profit	**75,070**	56,100	**49,998**	32,698
Adjustment for:				
Depreciation and Amortisation charges	**21,130**	13,698	**20,051**	13,129
(Profit)/Loss on sale of Property, Plant and Equipment	**(25)**	7	**(25)**	7
Interest and Dividend Received	**(11,137)**	(1,239)	**(11,137)**	(1,239)
Interest Paid	**4,105**	3,070	**4,069**	3,041
Operating Profit Before Working Capital Changes	**89,143**	71,636	**62,956**	47,636
Changes in Stocks	**(12,449)**	(8,283)	**(5,010)**	2,624
Changes in Debtors	**(63,412)**	(316,914)	**(46,681)**	(106,868)
Changes in Creditors	**131,612**	310,299	**98,147**	102,875
Cash generated from operations	**144,894**	56,738	**109,412**	46,267
Company Tax Paid	**(27,877)**	(11,800)	**(16,035)**	(11,800)
Net Cash Inflow from Operating activities	**117,017**	44,938	**93,377**	34,467
Cash flows from Investing activities				
Interest and Dividend Received	**11,137**	1,239	**11,137**	1,239
Interest paid	**(4,105)**	(3,070)	**(4,069)**	(3,041)
Increase in Investment	**0**	30	**0**	0
Acquisition of Property, Plant and Equipment	**(137,558)**	(81,832)	**(135,448)**	(79,563)
Receipt from disposal of Property, Plant and Equip.	**48**	43	**48**	43
Net Cash Outflows from Investing Activities	**(130,478)**	(83,590)	**(128,332)**	(81,322)
Net Cash Outflows Before Financing	**(13,461)**	(38,652)	**(34,955)**	(46,855)
Cash flows from Financing Activities				
Changes in Term Loan	**(19,728)**	10,683	**(19,728)**	10,683
New Capital Introduced	**150,000**	0	**150,000**	0
Dividend paid	**(2,953)**	(5,044)	**(2,953)**	(5,044)
Net Cash Inflows from Financing Activities	**127,319**	5,639	**127,319**	5,639
Net Increase/(Decrease) in Cash and Cash Equivalents	**113,858**	(33,013)	**92,364**	(41,216)
Cash and Cash Equivalents at 1 January	**(29,154)**	3,859	**(37,357)**	3,859
Cash and Cash Equivalents at 31 December	**84,704**	(29,154)	**55,007**	(37,357)
Cash and Cash Equivalents				
Cash at Bank and in Hand	**69,251**	33,070	**39,554**	24,867
Bank Overdraft	**(41,383)**	(67,590)	**(41,383)**	(67,590)
Held to Maturity Investments	**56,836**	5,366	**56,836**	5,366
	84,704	(29,154)	**55,007**	(37,357)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 GP 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 (GHS), 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.

g. 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
- Categorisation of Financial Assets and Financial Liabilities

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

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

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

o 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.

o 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

- 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:

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

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

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

Provision for credit losses is based on the following principles:

Counterparty-specific – A claim is considered as a loss when management determines that it is probable that the Company will not be able to collect all amounts due according to the original contractual terms.

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

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

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

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

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

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

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 2016, 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 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.

- **IFRS 2 Share based payments**

Amendments to clarify the classification and measurement of share-based payment transactions: An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9 Financial Instruments. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.

- **IAS 40 Investment Properties**

Transfers of property to, or from, investment property: An entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. IAS 40 is effective for annual periods beginning on or after 1 January 2018.

- **IAS 28 Investments in Associates and Joint Ventures**

Initial recognition of venture capital organisations or other qualifying entities: Amendments clarify that the election to measure at FV through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. IAS 28 is effective for annual periods beginning on or after 1 January 2018.

- **IFRS 16 Leases**

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and discloses leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January, 2016 and applies to annual reporting periods beginning on or after 1 January, 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Group 2016 GHS'000	2015 GHS'000	Company 2016 GHS'000	2015 GHS'000
2.a DEPOT AND STATION EXPENSES;				
Includes depreciation; - **GHS15,596,559** (2015 - GHS9,558,964)				
b. SELLING AND ADMINISTRATION EXPENSES;				
Include the following:-				
Depreciation and Amortisation	**5,525**	4,139	**4,454**	3,569
Directors' Fees & Expenses	**1,131**	800	**1,051**	775
Auditors' Remuneration	**131**	131	**96**	96
Donation and Corporate Social Responsibility	**4,907**	3,047	**4,025**	2,439
3. SUNDRY INCOME				
Exchange Gain	**775**	1,708	**775**	1,708
Contractors Registration	**35**	22	**35**	22
Miscellaneous Income	**5,136**	2,113	**5,136**	2,113
Various Rent	**5,012**	716	**5,012**	716
Sale of Materials	**0**	41	**0**	41
Discount Received	**4,104**	0	**4,104**	0
Profit on Sale of Property, Plant and Equipment	**25**	0	**25**	0
	15,087	4,600	**15,087**	4,600
4. NET FINANCE INCOME/(EXPENSES)				
Interest Income	**11,137**	1,239	**11,137**	1,239
Bank loan interest and Other Finance Charges	**(4,105)**	(3,070)	**(4,069)**	(3,041)
	7,032	(1,831)	**7,068**	(1,802)
5. TAXATION				
Current Tax	**15,862**	14,865	**9,282**	8,850
Deferred Tax Charge	**5,560**	1,662	**5,460**	1,637
	21,422	16,527	**14,742**	10,487

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		Group		Company	
		2016	2015	2016	2015
		GHS'000	GHS'000	GHS'000	GHS'000
6.	**RECONCILIATION OF EFFECTIVE TAX**				
	Profit before tax less rent income	**70,058**	55,384	**44,986**	31,982
	Tax at applicable tax rate at 25%(2015 - 25%)	**17,515**	13,846	**11,247**	7,996
	Tax effect of non-deductible expenses	**7,599**	8,150	**7,083**	7,818
	Tax effect of non-chargeable income	**(2,006)**	(2,143)	**(2,006)**	(2,143)
	Tax effect of capital allowances	**(7,998)**	(5,095)	**(7,793)**	(4,928)
	Tax effect on rent income	**751**	107	**751**	107
	Origination/(reversal) of temporary differences	**5,561**	1,662	**5,460**	1,637
		21,422	16,527	**14,742**	10,487
	Effective tax rate (%)	**30.58**	29.84	**32.77**	32.79

7a. CURRENT TAX

	Balance at 1 January GHS'000	Tax Paid/ Refund GHS'000	Charge to P&L GHS'000	Balance at 31 Dec. GHS'000
GROUP				
2010 to 2013	93	0	0	93
2014	(2,536)	0	0	(2,536)
2015	9,165	(6,065)	0	3,100
2016	0	(21,812)	15,862	(5,950)
Total	**6,722**	**(27,877)**	**15,862**	**(5,293)**
COMPANY				
2010 to 2013	93	0	0	93
2014	(2,536)	0	0	(2,536)
2015	3,150	(559)	0	2,591
2016	0	(15,476)	9,282	(6,194)
Total	**707**	**-16,035**	**9,282**	**-6,046**

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

	Group 2016	Group 2015	Company 2016	Company 2015
Balance at 1 January	**4,547**	2,885	**4,522**	2,885
Charge for the year	**5,560**	1,662	**5,460**	1,637
Balance at 31 December	**10,107**	4,547	**9,982**	4,522

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2015 - 25%).

8a PROPERTY, PLANT AND EQUIPMENT

GROUP

	F'HOLD LAND & BUILDINGS	L'SEHOLD LAND & BUILDINGS	PLANT MACH. & EQUIP.	MOTOR VEHICLES	FURN. & EQUIP.	COMPUTERS & ACCESS.	CAPITAL WORK IN PROGRESS	TOTAL
Cost / Valuation	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**
Balance at 01.01.2016	1,195	102,933	69,117	12,709	3,686	1,530	55,813	246,983
Additions during the year	0	3,795	17,191	6,073	2,100	1,032	106,715	136,906
Transfers during the year	0	34,442	22,882	0	558	0	(57,882)	0
Reversal	0	(100)	0	0	0	0	0	(100)
Disposals during the year	0	0	(71)	(402)	(73)	0	0	(546)
Balance at 31.12.2016	1,195	141,070	109,119	18,380	6,271	2,562	104,646	383,243
Depreciation								
Balance at 01.01.2016	93	10,535	38,433	7,042	1,706	1,133	0	58,942
Charges during the year	24	2,664	12,917	2,934	450	630	0	19,619
Disposal during the year	0	0	(66)	(393)	(65)	0	0	(524)
Balance at 31.12.2016	117	13,199	51,284	9,583	2,091	1,763	0	78,037
Net Book Value								
31 December 2016	**1,078**	**127,871**	**57,835**	**8,797**	**4,180**	**799**	**104,646**	**305,206**
31 December 2015	1,102	92,398	30,684	5,667	1,980	397	55,813	188,041

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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	**GHSH'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**	**GHS'000**
Balance at 01.01.2016	1,195	102,933	69,118	10,836	3,426	1,394	55,813	244,715
Additions during the year	0	3,795	17,154	4,916	1,422	796	106,714	134,797
Transfers during the year	0	34,442	22,882	0	558	0	(57,882)	0
Reversal	0	(100)	0	0	0	0	0	(100)
Disposals during the year	0	0	(71)	(402)	(73)	0	0	(546)
Balance at 31.12.2016	1,195	141,070	109,083	15,350	5,333	2,190	104,645	378,866
Depreciation								
Balance at 01.01.2016	93	10,535	38,433	6,574	1,672	1,065	0	58,372
Cost								-
Revaluation								-
Charges during the year	24	2,664	12,909	2,177	322	444	0	18,540
Disposal during the year	0	0	(66)	(393)	(65)	0	0	(524)
Balance at 31.12.2016	117	13,199	51,276	8,358	1,929	1,509	0	76,388
Net Book Values								
31 December 2016	**1,078**	**127,871**	**57,807**	**6,992**	**3,404**	**681**	**104,645**	**302,478**
31 December 2015	1,102	92,398	30,685	4,262	1,754	329	55,813	186,343

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 2016	2015	Company 2016	2015
		GHS'000	GHS'000	GHS'000	GHS'000
9a	**AVAILABLE FOR SALE FINANCIAL INSTRUMENTS**				
	Ghana Bunkering Services Ltd.	**222**	222	**222**	222
	Investment in Subsidiary	**0**	0	**30**	30
	Total (Ghana) Ltd.	**2,061**	5,515	**2,061**	5,515
	Tema Lube Oil Company Ltd.	**11**	11	**11**	11
	Metro Mass Transit Company Ltd.	**414**	414	**414**	414
	JUHI	**2,910**	2,910	**2,910**	2,910
		5,618	9,072	**5,648**	9,102
	Available for sale financial instruments of the above companies are made up of equity shares.				
9b	**HELD TO MATURITY INVESTMENT**				
	Fixed Deposit	**56,836**	5,366	**56,836**	5,366
10.	**STOCKS & GOODS IN TRANSIT**				
	Trading : Fuel	**19,960**	12,381	**1,715**	3,747
	Lubricants	**9,097**	14,181	**9,097**	14,181
	L.P. Gas	**173**	470	**173**	470
		29,230	27,032	**10,985**	18,398
	Non Trading : Materials	**18,710**	8,459	**18,609**	6,186
		47,940	35,491	**29,594**	24,584
11.	**ACCOUNTS RECEIVABLE**				
	Trade Receivable	**363,025**	275,439	**304,183**	232,099
	Other Receivable	**11,247**	36,518	**9,998**	36,518
	Staff Receivable	**213**	686	**213**	686
	Prepayments	**3,886**	1,679	**3,886**	1,659
		378,371	314,322	**318,280**	270,962
	Less: Provision for Bad & Doubtful Debts	**(4,297)**	(3,660)	**(4,297)**	(3,660)
		374,074	310,662	**313,983**	267,302

The maximum amount owed by the staff, in thousands of Ghana Cedis, did not at one particular time exceed **GHS213** (2015: GHS686)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		Group		Company	
		2016	2015	2016	2015
12	INTANGIBLE ASSETS	GHS'000	GHS'000	GHS'000	GHS'000
	Balance at 1 January	**6,697**	4,965	**6,697**	4,965
	Additions during the year	**2,045**	1,732	**2,045**	1,732
	Balance at 31 December	**8,742**	6,697	**8,742**	6,697
	Amortisation				
	Balance at 1 January	**3,027**	1,832	**3,027**	1,832
	Amortisation for the year	**1,511**	1,195	**1,511**	1,195
	Balance at 31 December	**4,538**	3,027	**4,538**	3,027
	Carrying amount				
	At 31 December	**4,204**	3,670	**4,204**	3,670
	This relates to the cost of rebranding and computer software.				
13.	**CASH AND BANK BALANCES**				
	Current Account	**68,905**	32,133	**39,208**	24,653
	Cash in Hand	**346**	937	**346**	214
		69,251	33,070	**39,554**	24,867
14.	**BANK OVERDRAFT**				
	Ghana Commercial Bank Limited	**17,169**	3,335	**17,169**	3,335
	Universal Merchant Bank Limited	**6,706**	15,466	**6,706**	15,466
	Prudential Bank Ghana Limited	**8,082**	20,655	**8,082**	20,655
	First Atlantic Bank Limited	**3,555**	20,203	**3,555**	20,203
	Ecobank Ghana Limited	**3,586**	7,730	**3,586**	7,730
	Stanbic Bank Ghana Limited	**2,062**	201	**2,062**	201
	ADB Bank Ghana Limited	**199**	0	**199**	0
	National Investment Bank Ghana Limited	**24**	0	**24**	0
		41,383	67,590	**41,383**	67,590

Ghana Commercial Bank Limited
The Company has an overdraft facility of GHS40,000,000 with Ghana Commercial Bank Limited at an interest rate of 27.50% and the facility expires on 16 May, 2017.

Universal Merchant Bank Limited
The Company has an overdraft facility of GHS15,000,000 with Universal Merchant Bank Limited at an interest rate of 25.50% and the facility expires on 31 December, 2017.

Prudential Bank Ghana Limited
The Company has an overdraft facility of GHS6,000,000 with Prudential Bank Ghana Limited at an interest rate of 26.50% and the facility expires on 31 December, 2017.

First Atlantic Bank Limited
The Company has an overdraft facility of GHS10,000,000 with First Atlantic Bank Limited at an interest rate of 24.00% and the facility expires on 23 March, 2018.

Ecobank Ghana Limited
The Company has an overdraft facility of GHS15,000,000 with Ecobank Ghana Limited at an interest rate of 25.95% and the facility expires on 31 December, 2017.

Societe Generale Ghana Limited
The Company has an overdraft facility of GHS22,000,000 with Societe Generale Ghana Limited at an interest rate of 23.00% and the facility expires on 31 March, 2018.

NOTES TO THE FINANCIAL STATEMENTS

		Group		Company	
		2016	2015	2016	2015
15.	ACCOUNTS PAYABLE	GHS'000	GHS'000	GHS'000	GHS'000
	Trade Payable	**418,473**	282,309	**353,633**	255,700
	Other Payable	**74,344**	79,199	**66,592**	66,489
	Accruals	**1,834**	1,532	**226**	115
		494,651	363,040	**420,451**	322,304
16a	TERM LOAN				
	Balance as at I January	**32,454**	21,771	**32,454**	21,771
	Addition during the year	**631**	22,998	**631**	22,998
	Transfer to stated capital	**(3,780)**	0	**(3,780)**	0
	Loan repayment	**(16,579)**	(12,315)	**(16,579)**	(12,315)
		12,726	32,454	**12,726**	32,454
16b	LONG TERM PORTION				
	Medium Term Loan	**1,633**	12,409	**1,633**	12,409
		1,633	12,409	**1,633**	12,409
16c	SHORT TERM PORTION				
	Government of Ghana	**0**	3,780	**0**	3,780
	Medium Term Loan	**11,093**	16,265	**11,093**	16,265
	Merban Investment Holding Limited				
		11,093	20,045	**11,093**	20,045

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. During the year the government agreed to convert the loan as equity investment in the Company.

First Atlantic Bank
The bank granted a medium term loan facility of GHS15,000,000 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 GHS15,000,000 to the Company. The facility is due to expire on 2nd June, 2017 and interest rate is 26.5%. The facility is to finance the construction of new fuel stations.

Stanbic Bank Ghana Limited
The Company has in March, 2017 fully repaid the Medium Term Loan of USD$5,161,280 granted by Stanbic Bank Ghana Limited, for general corporate purposes including capital expenditure for new Service Stations and Rebranding exercise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

17. STATED CAPITAL

	2016	2015
Number of authorised shares	**1,000,000,000**	1,000,000,000
Total number of issued shares	**391,863,128**	252,223,488
	GHS'000	GHS'000
Issued for Cash	**155,000**	5,000
issued for consideration other than cash	**10,339**	6,559
Transfer from Income Surplus	**20,250**	20,250
	185,589	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.

	2016	2015
Balance at 1 January	**6,294**	3,883
Transfer from Income Surplus	**2,682**	1,979
Interest earned on amount invested	**599**	432
Balance at 31 December	**9,575**	6,294

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 1,040,528 shares held in Total Petroleum Ghana Limited as a result of the adoption of International Financial Reporting Standards.

	Available-for-sale Financial Asset	Revaluation surplus	2016	2015
	GHS'000	GHS'000	GHS'000	GHS'000
Balance at 1 January 2016	5,318	3,906	**9,224**	10,056
Revaluation	(3,454)	0	**(3,454)**	(832)
Balance at 31 December 2016	**1,864**	3,906	**5,770**	9,224

21. DIVIDEND

	2016	2015
Final Dividend paid was GHS0.025 per share (2014; GHS0.020 per share)	**6,307**	5,044
Payments during the year	**(6,307)**	(5,044)
	0	0

A final dividend of GHS0.025 per share amounting to GHS9,796,578 has been proposed for the year ended 31 December 2016. (2015: GHS0.025 per share, amounting to GHS6,037,344)

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

Risk management framework

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

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

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

Credit risk

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

Trade and other receivables

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

Allowances for impairment

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

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		Company
	2016	2015	2016	2015
	GHS'000	GHS'000	GHS'000	GHS'000
Available for sale Financial Assets	**5,618**	9,072	**5,648**	9,102
Loans and Receivables	**374,074**	310,662	**313,983**	267,302
Cash and Cash Equivalents	**69,251**	33,070	**39,554**	24,867
	448,943	352,804	**359,185**	301,271

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

Public Institutions	**363,025**	275,439	**304,183**	120,113

Impairment Losses (Group)

	2016		2015	
	Gross	Impairment	Gross	Impairment
	GHS'000	GHS'000	GHS'000	GHS'000
Past due after 0 - 180 days	**363,025**	**0**	275,439	0

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

	2016	2015
	GHS'000	GHS'000
Trade Receivables	**363,025**	275,439
Impairment loss recognised	**(4,297)**	(3,660)
Balance at 31 December	**358,728**	271,779

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

The following are contractual maturities of financial liabilities (Group);

31 December 2016

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GHS'000	**GHS'000**	**GHS'000**	**GHS'000**
Secured bank loans	12,726	5,547	5,547	1,633
Trade and other payables	494,651	494,651	0	0
Bank overdraft	41,383	41,383	0	0
Balance at 31 December 2016	**548,760**	**541,581**	**5,547**	**1,633**

31 December 2015

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GHS'000	**GHS'000**	**GHS'000**	**GHS'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**

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	
	2016	2015
Variable rate instrument	**GHS'000**	GHS'000
Financial liabilities	**54,109**	100,044

Fair value sensitivity analysis for fixed rate instrument

The Company did not have fixed rate instrument at 31December 2016 and also at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016		31 December 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loans and Receivables	GHS'000	GHS'000	GHS'000	GHS'000
Trade and Other Receivables	**374,074**	**374,074**	310,662	310,662
Cash and Cash Equivalents	**69,251**	**69,251**	33,070	33,070
Held to Maturity Investments	**56,836**	**56,836**	5,366	5,366
	500,161	**500,161**	349,098	349,098
Available for Sale Financial Instrument				
Long Term Investment	**5,618**	**5,618**	9,072	9,072
Other Financial Liabilities				
Secured Bank Loan	**12,726**	**12,726**	32,454	32,454
Trade and Other Payables	**494,651**	**494,651**	363,040	363,040
Bank Overdraft	**41,383**	**41,383**	67,590	67,590
	548,760	**548,760**	463,084	463,084

24 CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the balance sheet date as at 31 December 2016 and also as at 31 December 2015.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		Group	Company
		2016	2015
26.	RELATED PARTY TRANSACTIONS	GHS'000	GHS'000
	Payable	193,692	166,686

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.

27. NUMBER OF SHARES IN ISSUE

Earning, Dividend per share are based on 391,863,128, (2015; 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 during the year.

Profit attributable to equity holders	53,648	39,573
Weighted average number of ordinary shares ('000)	391,863	252,223
Basic earnings per share (Ghana cedis per share)	0.137	0.157

29. CONTINGENT LIABILITIES

Claims that could arise from pending suits against the Company at the year-end amounted to GHS9,400,400 (2015; GHS180,000)

Claims that could arise from pending suits in favour of the Company at the year-end amounted to GHS2,399,763 (2015; Nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

30. TWENTY LARGEST SHAREHOLDERS

	Shareholders	**Number of Shares**	**Percentage Holding (%)**
1	GOVERNMENT OF GHANA	134,123,596	34.23
2	SOCIAL SECURITY & NATIONAL INSURANCE TRUST	97,965,782	25.00
3	BULK OIL STORAGE AND TRANSPORT	78,475,596	20.03
4	STARMOUNT DEVEPLOMENT COMPANY LIMITED	22,740,720	5.80
5	HOPEFIELD CAPITAL LIMITED	5,610,963	1.43
6	SCBN/ELAC POLICY HOLDERS FUND	1,747,912	0.45
7	DATA BROKERAGE LIMITED	1,006,938	0.26
8	STD NOM/METLIFE CLASSIC FUND	818,232	0.21
9	SCBN/DATABANK BALANCE FUND LIMITED	705,086	0.18
10	MR. V. K. DJANGMAH	644,311	0.16
11	P. A. K AKORLI	522,218	0.13
12	SCGN/ENTERPRISE TIER 2 OCCUPATIONAL	483,426	0.12
13	SIC GENERAL BUSINESS	472,215	0.12
14	MR. E. OFORI-SARKWA	419,257	0.11
15	MR. A. J. ADZEW	417,360	0.11
16	MR. G. AMANQUAH	415,433	0.11
17	SCGN/GH. MED. ASSOC. PENSION FUND	390,762	0.10
18	DONEWELL LIFE COMPANY LIMITED	384,187	0.10
19	ZHAO HAIJUN	368,731	0.09
20	MR. A. TWUMASI	280,655	0.07
	TOTALS OF TWENTY LARGEST SHAREHOLDERS	**347,993,380**	**88.80**
	TOTALS OF OTHERS	**43,869,748**	**11.20**
	GRAND TOTALS	**391,863,128**	**100.00**

31. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	8,387	4,018,014	1.03
1,001 - 5,000	5,184	10,312,371	2.63
5,001 - 10,000	910	6,043,838	1.54
10,001 - 50,000	629	12,696,355	3.24
50,001 - 999,999,999	128	358,792,550	91.56
		391,863,128	**100.00**

32. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES	% OF ISSUED SHARES
Prof. William A. Asomaning	51,072	0.0130
Nana Esuman Kwesi Yankah	32,138	0.0082
Mr. Eugene Akoto-Bamfo	4,020	0.0010
Mr. Thomas Kofi Manu	33,078	0.0084
Mr. Chris A-Ackummey	3,309	0.0008
Mad. Faustina Nelson	201,093	0.0513
Mr. Patrick Akpe Kwame Akorli	522,218	0.1333
	846,928	**0.2161**

GHANA OIL COMPANY LIMITED
SCHEDULE TO THE CONSOLIDATED COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Group		Company	
	2016 GHS'000	2015 GHS'000	2016 GHS'000	2015 GHS'000
Gross Revenue	**4,111,463**	3,760,389	**2,645,441**	2,083,896
Custom, Duties and Levies	**(617,072)**	(129,391)	**(617,072)**	(129,391)
Net Revenue	**3,494,391**	3,630,998	**2,028,369**	1,954,505
COST OF SALES				
Stocks - 1 January	**20,924**	17,721	**12,290**	17,721
Purchases	**3,326,519**	3,494,899	**1,883,102**	1,838,764
	3,347,443	3,512,620	**1,895,392**	1,856,485
Less ; Stocks at 31 December	**(30,881)**	(20,924)	**(12,636)**	(12,290)
	3,316,562	3,491,696	**1,882,756**	1,844,195
GROSS PROFIT	**177,829**	139,302	**145,613**	110,310
DEPOT AND STATION EXPENSES				
Ground Rent	**1,386**	1,223	**1,386**	1,223
Maintenance of Installations	**19,247**	8,239	**19,247**	8,239
Survey fees	**21**	74	**21**	74
Vehicle Maintenance	**4,353**	2,824	**3,602**	2,683
Water and Electricity	**238**	427	**238**	427
Depreciation;				
Plant and Machinery	**12,917**	7,269	**12,909**	7,269
Leasehold Land and Building	**2,664**	2,266	**2,664**	2,266
Freehold Land and Building	**24**	24	**24**	24
TOTAL DEPOT AND STATION EXPENSES	**40,850**	22,346	**40,091**	22,205

NOTES

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 18th May, 2017 at 11:00 a.m. and at any adjournment thereof.

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 31 December 2016
2	In favour of * against	The Resolution to declare a dividend with respect to the year ended 31 December 2016 as recommended by the Directors
3	In favour of * against	The Resolution to elect Directors
4	In favour of * against	The Resolution to authorize the Directors to fix the remuneration of the Auditors
5	In favour of * against	The Resolution to fix the remuneration of the Directors

On any other business transacted at the meeting and unless otherwise instructed in Paragraphs 1 to 5 above, the resolutions 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 ________________ 2017.

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 ofthe meeting to act as your proxy, but if you so wish, you may insert in the blank space the name of any person whether a member of the company or not who will attend the meeting and vote on your behalf instead of PROF. WILLIAM AFIAKWA ASOMANING.

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

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

5. Please sign the above Proxy Form and post it so as to reach the address shown below not later than 4:00p.m. on Tuesday, 16th May, 2017.

6. The Proxy must produce the Admission Card with the Notice ofthe Meeting to obtain entrance to the meeting.

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