ANNUAL REPORT & FINANCIAL STATEMENTS 2012

GOIL

Good energy

GOOD
ENERGY
STARTS
WITH
A SMILE.

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS:	Prof. William A. Asomaning	- Chairman
	Mr. Patrick Akpe Kwame Akorli	- Managing Director
	Mr. Kojo Bonsu	
	Hon. Nii Laryea Afotey-Agbo	
	Nana Esuman Kwesi Yankah	
	Mr. Eugene Akoto-Bamfo	
	Mr. Chris A-Ackummey	
	Mad. Faustina Nelson	
	Mr. Thomas Kofi Manu	
SECRETARY:	Mr. Stephen Y. Gyaben	
AUDITORS:	Pannell Kerr Forster (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:	Merban Stockbrokers Limited 57 Examination Loop, North Ridge P.O. Box 401 Accra	
BANKERS:	GCB Bank Limited Standard Chartered Bank Ghana Limited Barclays Bank of Ghana Limited Ecobank Ghana Limited Merchant Bank Ghana Limited Agricultural Development Bank Limited Prudential Bank Limited Zenith Bank Ghana Limited First Atlantic Merchant Bank Ghana Limited National Investment Bank Ghana Limited SG-SSB Limited Stanbic Bank Ghana Limited	

NOTICE OF 44TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 44th 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, 25th July 2013 at 11.00 a.m. for the transaction of the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and consider the reports of the Directors and the Auditors and the Financial Statements of the Company for the year ended December 31, 2012.
2. To declare a dividend for the year ended December 31, 2012.
3. To re-elect Directors retiring by rotation.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To fix the remuneration of the Directors.

SPECIAL BUSINESS

1. To approve a transfer of an amount of Twenty Million Ghana Cedis (GH?20 million) from Income Surplus Account (Retained Earnings) to Stated Capital Account of the Company.
2. To approve the issue of Two Million One Hundred and One Thousand, Eight Hundred and Sixty Two (2,101,862) bonus shares, i.e. 1 new share for 100 old shares to existing shareholders.
3. To authorize the Directors as part of the Company's capitalization process to:

   Exercise all powers of the Company to raise additional capital not exceeding One Hundred Million Ghana Cedis (GH?100 million) by way of rights issue and/or private placements on such terms and conditions as they may consider appropriate and in the best interest of the Company and its shareholders.

DATED AT ACCRA THE 7TH DAY OF MAY 2013.
BY ORDER OF THE BOARD

S. Y. GYABEN
SECRETARY

REGISTERED OFFICE
D 659/4, KOJO THOMPSON RD

NOTE

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/her. A proxy need not be a member of the Company. Completed proxy forms should be deposited at the Registered Office, D 659/4, Kojo Thompson Road, P. O. Box GP 3183, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the 48 hours deadline will result in the Proxy not being admitted to or participating in the meeting.

A Form of Proxy to be used is enclosed herewith.

RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING

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

1. To Receive the 2012 Accounts
   The Board shall propose the acceptance of the 2012 Accounts as the true and fair view of the state of affairs of the Company for the year ended 31st December 2012 and of its performance for the year then ended.

2. To Declare a Dividend
   The Directors recommend the payment of a dividend of GH¢0.015 per share amounting to GH¢3.153 million for the year ended 31st December 2012.

3. To Re-elect Directors Retiring By Rotation
   In accordance with Section 298 (a, b & d) of the Companies Code 1963, Act 179 and Regulation 88 of the Company's Regulations the following Directors who are retiring by rotation but are eligible for re-election shall be re-elected as Directors:

   (1) Mr. Chris A-Ackummey;
   (2) Mr. Eugene Akoto-Bamfo;
   (3) Mr. Kojo Bonsu.

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

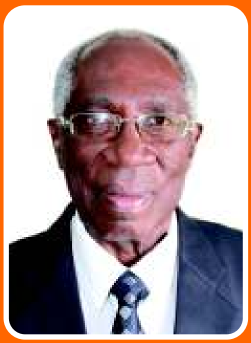
5. To Fix the Remuneration of the Directors
   The Board will request from members their approval to fix the remuneration of the Directors.

6. Transfer From Income Surplus Account to Stated Capital Account
   The Board shall propose the approval of a transfer of an amount of Twenty Million Ghana Cedis (GH?20 million) from the Income Surplus Account (Retained Earnings) to Stated Capital Account of the Company.

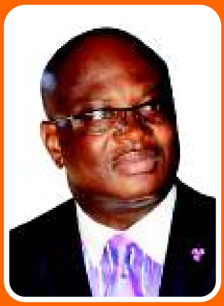
7. Issue of Bonus Shares
   The Board will request from members their approval of the issue of Two Million One Hundred and One Thousand, Eight Hundred and Sixty Two (2,101,862) bonus shares, i.e. 1 new share for 100 old shares to existing shareholders.

8. Rights Issue
   The Board will recommend to members to authorize the Directors to raise additional capital not exceeding One Hundred Million Ghana Cedis (GH?100 million) by way of rights issue and/or private placement.

BOARD OF DIRECTORS

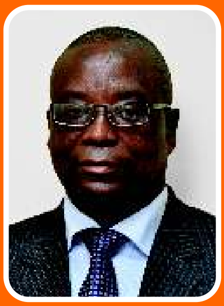


Prof. William A. Asomaning
Chairman

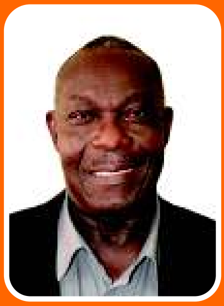


Mr. Kojo Bonsu

Mr. Eugene Akoto-Bamfo



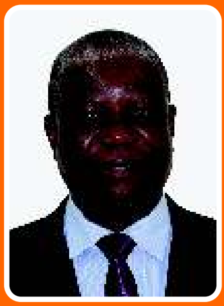
Mr. Patrick Akpe Kwame Akorli
Managing Director



Nana Esuman Kwesi Yankah

Mad. Faustina Nelson

Hon. Nii Laryea Afotey-Agbo



Mr. Chris A-Ackummey

Mr. Thomas Kofi Manu

CHAIRMAN'S ADDRESS

INTRODUCTION
I am pleased to welcome you to the 44th Annual General Meeting of Ghana Oil Company Limited and to present to you results for the year ended 31st December, 2012. I am excited because apart from the solid financial results contained herein, your Company commenced the planned implementation of the Rebranding strategy and has already begun to realize its benefits.

ECONOMIC AND BUSINESS ENVIRONMENT
The country performed well at the macro-economic level in 2012, achieving a 7.9% growth in GDP, while the year end inflation rate was 8.8%. The Cedi depreciated by 16% against the US dollar during the year 2012 while the end-of-year monetary policy rate as announced by the Bank of Ghana was 15%.

The Industry
The country continued to be dependent on imported finished petroleum products. Demand in general rose ahead of economic growth.

In the downstream industry itself, the continuous deregulation of the sector brought about an increase in the number of Oil Marketing Companies (OMCs), Bulk Distribution Companies (BDCs) and Oil Trading Companies (OTCs). By the close of the year OMCs were over ninety (90) and the BDCs, fifteen (15). This situation created heightened competition which also led to operational challenges at loading points throughout the country.

The national consumption of fuel products however, grew considerably compared to the year 2011.

OPERATING PERFORMANCE
For the first time in several years, the Company's performance in terms of growth in the volume of sales went above its average growth rate of 5%. From a 1% growth in the year 2011, sales volumes increased by 11% in the year 2012. This increase over the previous year's sales was driven in part by the construction of new stations and also bringing back on stream several stations which had been closed down for rehabilitation in 2011.

The major factor in the marked increase in our sales volumes could be attributed to the goodwill and excitement generated by the launch of the Rebranding exercise of the Company on May 18, 2012. This was supported by training station attendants and other front-line staff to offer better service to our customers.

To enhance our competitiveness in the aviation sector, some members of staff were sent for international training in Italy to bring the Aviation Unit up to the required standards.

Recognizing an opportunity in the lubricants market, the Company introduced in the last quarter of the year, a new range of branded lubricants, designed to make the choice and use of lubricants as simple as possible for the general public.

With further discoveries of oil being made offshore, the Company continued to benefit by way of supplies to the exploration companies.

HEALTH, SAFETY, SECURITY & ENVIRONMENT
Partnerships with key institutions such as the Ghana National Fire Service (GNFS), Environmental Protection Agency, etc. were forged. In the case of the GNFS, they were tasked to undertake an audit of all retail and consumer outlets throughout the country in a bid to minimize potential accidents. We also pushed the sales of environmentally friendlier fuels (Super XP and Diesel XP), which guaranteed better mileage and reduced emissions.

CORPORATE SOCIAL RESPONSIBILITY (CSR)
Dear Shareholders, our Company takes CSR issues very seriously, supporting the society whenever we could with the limited resources at our disposal. During the period, donations were made to a large cross-section of society in the educational, social, cultural, medical and sporting spheres for various worthwhile causes. For example, provision of potable drinking water for deprived communities featured prominently and we plan to do even more of this in the coming year.

CHAIRMAN'S ADDRESS

FINANCIAL RESULTS AND PERFORMANCE

The turnover in 2012 increased by 28% over that of the previous year, rising to GH¢859.913 million from the 2011 figure of GH¢671.672 million. Pre-tax profit rose to GH¢14.190 million from the 2011 amount of GH¢11.341 million, signifying a 25% increase. Profit after-tax for the period also grew by 19%, from GH¢7.888 million to GH¢9.401 million. Earnings per share improved by 18% to GH¢0.045.

FINANCIAL CONTRIBUTIONS TO THE GOVERNMENT

Over the past year, the Company dutifully honoured all its financial obligations to the Government of Ghana. We supported the Government with GH¢72.979 million, the breakdown of which is as follows:

	Year 2012	Year 2011
Customs Duties & Other Levies	GH¢68.585 million	GH¢62.353 million
Income Tax	GH¢ 2.894 million	GH¢ 1.496 million
Dividend Payment	GH¢ 1.500 million	GH¢ 1.234 million
TOTAL PAYMENT	GH¢72.979 million	GH¢65.083 million

PERFORMANCE ON THE GHANA STOCK EXCHANGE

The share price of our dear Company performed remarkably, rising by 93% in the course of the year 2012, i.e. from GH¢0.32 to GH¢0.62 at the end of the year, making our shares one of the top performers on the Stock Exchange.

DIVIDEND

In line with the Company's policy of paying not less than 30% of profit after taxation as dividend, we are proposing a dividend pay-out of GH¢0.015 per share to shareholders (2011: GH¢0.014) which is equivalent to about 33% of profit after tax.

FUTURE PROSPECTS

Our future prospects are very bright. We expect to bring on-stream several new stations, even as we continue to rehabilitate old ones to bring their visual image in line with our re-branded image. Additionally, since most of the new stations are in high growth areas, we anticipate a boost in sales.

Given the bright prospects in the bunkering sector, more investments are planned, not only to facilitate on-shore supplies from our Takoradi Depot, but off-shore supplies as well.

GOIL has entered into technical and commercial agreements to expand our presence in the international aviation market. The international certification process for this is on-going and should be completed before the end of the first half of 2013.

In order to achieve our aim of transforming your company, we will be undertaking a rights issue in the latter part of this year to raise more equity capital. This will also help attract debt capital to propel the company achieve its strategic objectives. We accordingly urge you all to take up your rights when the time comes. It is therefore recommended that shareholders vote in favour of the resolution for the rights issue.

ACKNOWLEDGEMENTS

The year under review has been a truly satisfying one on a number of fronts.

First, the support and good reception which greeted the rebranding exercise, an exercise that sought to give a new face and look to the Company.

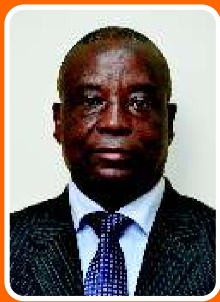
Second, for the performance of the Company, both in terms of volumes sold and financial performance. The challenges had been many and varied, but Management under the direction of the Board was able to weather the storm.

Third, the prospects and plans put in place for propelling the Company along the path of growth and profitability, give us a lot of confidence that your Company will soon be the Oil Marketing Company of Choice and a point of reference for all in the industry.

To conclude, we are truly grateful to you, our shareholders and are humbled by the fact that you have found us worthy to contribute our widow's mite to the service of your dear Company.

Thank you all and may the Good Lord bless you and our Company.

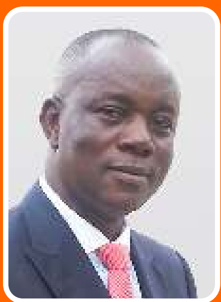
MANAGEMENT TEAM

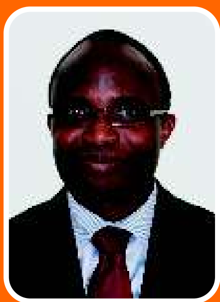

Mr. Patrick Akpe Kwame Akorli
Managing Director


Mr. Erasmus Ofori Sarkwa
Finance Manager


Mr. Charles Kwasi Darko
Fuels Marketing Manager


Mr. Stephen Yaw Gyaben
Solicitor / Secretary


Mr. Samuel Tetteh Korboe
Chief Internal Auditor

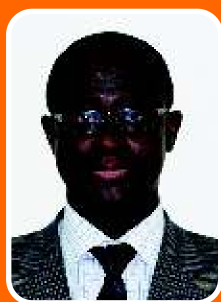

Mr. Alex Adzew
Tech. & Special Products Marketing Manager


Mr. Paul Ohene Tagoe
Operations Manager

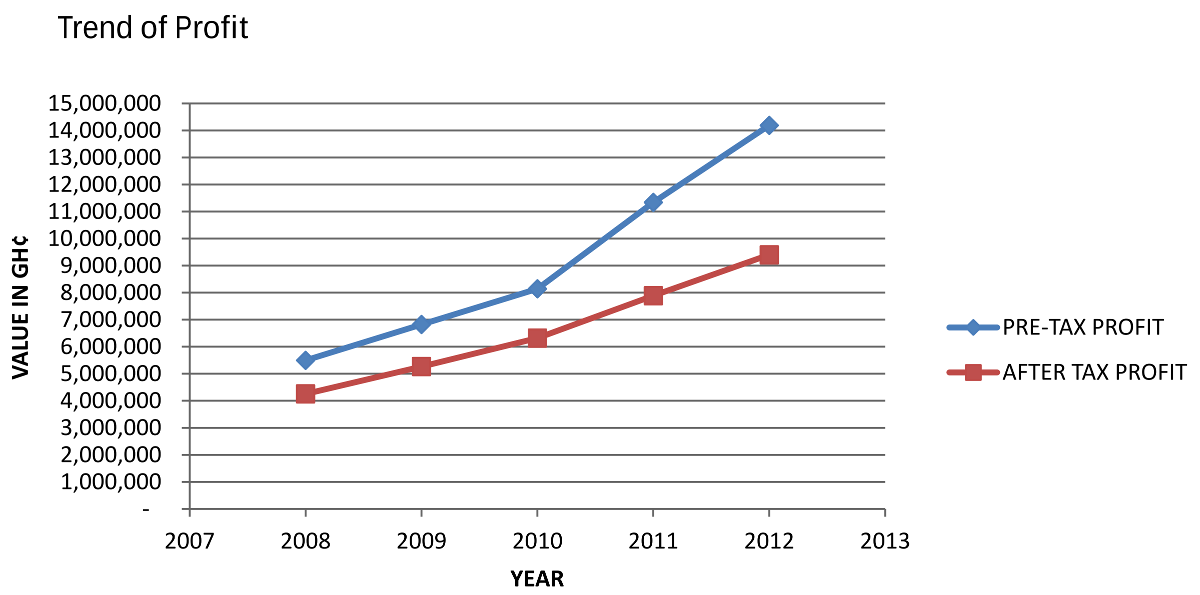

Rev. Joseph Brian Ansah
Admin/HR Manager

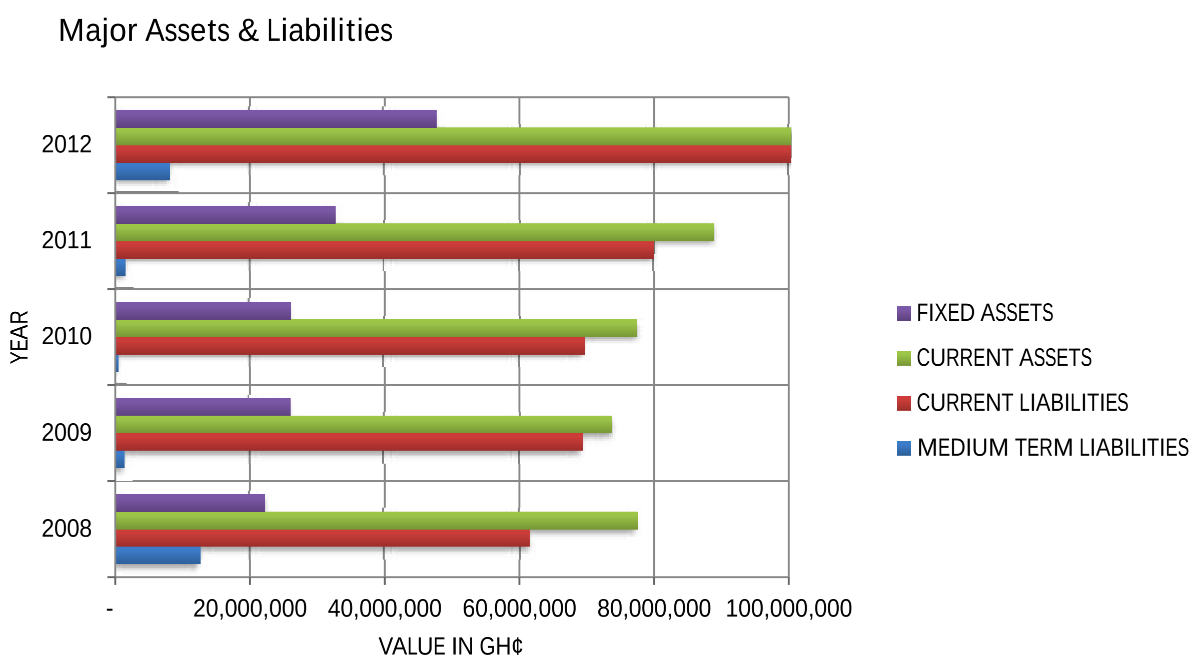

Mr. Cyril Opon
Corporate Affairs Manager


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


Mr. Anthony Twumasi
Info. Tech. & Planning Manager

PERFORMANCE AT A GLANCE (2008 - 2012)





FIVE YEAR FINANCIAL REVIEW | 2008 - 2012

	2012 GH¢	2011 GH¢	2010 GH¢	2009 GH¢	2008 GH¢
PROFIT AND LOSS ACCOUNT					
Gross Sales	859,912,641	671,672,239	514,364,623	421,542,111	438,863,961
Customs Duties and Levies	(68,585,163)	(62,352,767)	(42,021,304)	(45,967,900)	(65,661,774)
Net Sales	791,327,478	609,319,472	472,343,319	375,574,211	373,202,187
Sundry Income	2,243,023	3,352,787	2,316,990	2,387,312	2,140,933
Total Income	793,570,501	612,672,259	474,660,309	377,961,523	375,343,120
Operating Expense	(778,779,719)	(600,045,900)	(464,082,389)	(366,658,474)	(366,969,867)
Exceptional (Charges) / Credits	(600,704)	(1,285,127)	(2,433,215)	(4,479,276)	(2,876,671)
Profit before Tax	14,190,078	11,341,232	8,144,705	6,823,773	5,496,582
Taxation	(4,788,452)	(3,452,457)	(1,825,270)	(1,556,270)	(1,239,905)
Net Profit After Tax	9,401,626	7,888,775	6,319,435	5,267,503	4,256,677
INCOME SURPLUS ACCOUNT					
Balance at 1 January	21,519,175	16,047,683	12,230,167	8,907,731	6,250,245
Prior year adjustment / Transfers	**(470,081)**	2,685	(315,972)	(158,025)	(127,700)
Net Profit after Tax	9,401,626	7,888,775	6,319,435	5,267,503	4,256,677
Dividend	(2,942,607)	(2,419,968)	(2,185,947)	(1,787,042)	(1,471,491)
Balance at 31 December	**27,508,113**	21,519,175	16,047,683	12,230,167	8,907,731
BALANCE SHEET					
ASSETS					
Non Current Assets	47,675,509	32,657,734	26,057,249	25,958,656	22,224,317
Available for Sale Financial Instruments / Investments	5,546,089	5,180,089	4,197,089	1,327,234	1,407,234
Stocks	12,375,835	9,926,343	8,851,764	5,911,106	7,470,026
Accounts Receivable	90,297,148	65,302,612	57,673,927	54,313,163	60,448,227
Short Term Investment	3,900,227	2,000,000	-	-	1,083,012
Cash and Bank Balances	3,995,913	6,465,964	6,759,053	12,200,376	7,123,630
Total Assets	163,790,721	121,532,742	103,539,082	99,710,535	99,756,446
LIABILITIES					
Medium Term Loan	8,121,909	1,465,600	461,543	1,354,166	12,611,541
Short Term Loan	3,636,477	2,350,500	4,582,098	5,660,134	3,241,097
Bank Overdrafts	1,316,148	2,009,604	3,982,610	9,613,292	4,392,799
Accounts Payable	**99,131,373**	72,841,345	60,055,551	53,541,521	53,452,474
Dividends		-	-	-	-
Deferred Tax	2,822,389	1,415,570.00	301,421	135,864.00	(65,542.00)
Taxation	1,787,477	1,300,194	707,411	394,599	479,624
Total Liabilities	**116,815,773**	81,382,813	70,090,634	70,699,576	74,111,993
SHAREHOLDERS' FUNDS					
Stated Capital	11,809,263	11,809,263	11,809,263	11,809,263	11,809,263
Income Surplus	27,508,113	21,519,175	16,047,683	12,230,167	8,907,731
Capital Surplus	6,058,355	5,692,355	4,856,805	4,552,805	4,666,759
Building Fund	1,599,217	1,129,136	734,697	418,725	260,700
Total	46,974,948	40,149,929	33,448,448	29,010,960	25,644,453
Total Liabilities & Shareholders' funds	**163,790,721**	121,532,742	103,539,082	99,710,535	99,756,446

CORPORATE EVENTS


LAUNCH OF GOIL'S REBRANDING: Hon. Dr. Joe Oteng-Adjei at the launch of GOIL's new brand on Friday May 18, 2012.


Guests seated at the rebranding launch at the newly refurbished South La Service Station, opposite the La Polyclinic in Accra


Cultural display at the rebranding launch


REBRANDED STATION: The first of GOIL's new stations at South La


The then Volta Regional Minister Hon. Henry Ford Kamel, MD and Board Chairman at the relaunch of the refurbished Ho service station.


GOILY DAY: Board, Management and Staff of GOIL stepped out quarterly in an event dubbed "GOILY DAY" to interact, familiarize, serve as well as reward its deserving and cherished customers at some GOIL stations within Accra.


SOCIAL RESPONSIBILITY: Among the communities that benefited from GOIL's benevolence were Mantse and Korleman (in conjunction with the Soroptimist's Club of Accra), in the Ga West Municipal area as well as Apeguso, in the Asuogyaman District of the Eastern Region in which three boreholes were commissioned. The Ho Leprosarium also received some donations.


END OF YEAR AWARD CEREMONY: GOIL marked the end of its successful year with a dinner during which deserving staff were rewarded. Amongst them was Ms. Sarah Tay who retired after 37 years of service.


DEALERS' CONFERENCE AND AWARDS CEREMONY: Mr. S. O. Peprah, the Manager of Nima Roundabout Service Station emerged the overall Best National Dealer for 2012, during the Annual Dealers' Conference and Awards, held at La Palm on November 23, 2012.


AGI: GOIL was adjudged the "Best Energy Company", for 2012 during the Ghana Industry Awards ceremony on November 24, 2012. The Corporate Affairs Manager, Mr. Cyril Opon received the award on behalf of GOIL.

REPORT OF THE DIRECTORS ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

In accordance with the requirements of section 132 of the Companies Code 1963 (Act 179), we the Board of Directors of Ghana Oil Company Limited, present herewith the annual report on the state of affairs of the Company for the year ended December 31, 2012

RESULTS OF OPERATIONS	2012 GH¢	2011 GH¢
Gross Sales	859,912,641	671,672,239
Customs Duties and Levies	(68,585,163)	(62,352,767)
Net Sales	791,327,478	609,319,472
Profit for the year	14,190,078	11,341,232
from which is deducted; provision for estimated income tax of	(4,788,452)	(3,452,457)
leaving a net profit after tax of	9,401,626	7,888,775
to which is added the income surplus brought forward from the previous year of	21,519,175	16,047,683
and over provision of corporate taxes over the years of	0	397,124
	30,920,801	24,333,582
Less: final dividend paid; for 2011 at GH¢0.0140 per share (2010 at GH¢0.0120 per share)	(2,942,607)	(2,419,968)
Transfer to building fund	(470,081)	(394,439)
	27,508,113	21,519,175

NATURE OF BUSINESS

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

OWNERSHIP

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

REPORT OF THE DIRECTORS ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

Name		Date Appointed	
Prof. William A. Asomaning	Chairman	Appointed	16.07.2009
Mr. Chris A-Ackummey	Member	Appointed	16.07.2009
Hon. Nii Laryea Afotey-Agbo	Member	Re-elected	25.07.2012
Nana Esuman Kwesi Yankah	Member	Re-elected	25.07.2012
Mr. Thomas Kofi Manu	Member	Re-elected	25.07.2012
Mr. Eugene Akoto-Bamfo	Member	Re-elected	23.06.2011
Mr. Kojo Bonsu	Member	Re-elected	23.06.2011
Mad. Faustina Nelson	Member	Re-elected	23.06.2011
Mr. Patrick Akpe Kwame Akorli	Managing	Appointed	01.06.2012

DIVIDEND
Final dividend of GH¢0.014 per share amounting to GH¢2,942,607 was paid during the year. A final dividend of GH¢0.015 per share amounting to GH¢3,152,794.00 has been proposed for the year ended 31 December 2012. (2011: GH¢0.014 per share, amounting to GH¢2,942,607)

EVENTS AFTER THE REPORTING DATE
The Directors confirm that no matters have arisen since December 31, 2012, which materially affect the financial statements of the company for the year ended on that date.

....Director ....Director

Accra

28th March, 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHANA OIL COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2012

PKF
Accountants & business advisers

Report on the Financial Statements

We have audited the accompanying financial statements of Ghana Oil Company Limited which comprise the statement of financial position as of December 31, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ghana Oil Company Limited as of December 31, 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Code, 1963 (Act 179), Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

Report on Other Legal and Regulatory Requirements

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

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

PKF
....

Signed by: F. Bruce-Tagoe (ICAG/P/1087)
For and on behalf of
PKF: (ICAG/F/2013/039) | Chartered Accountants
Farrar Avenue | P. O. Box GP 1219, Accra.

28th March, 2013

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 GH¢	2011 GH¢
Gross Revenue		859,912,641	671,672,239
Customs Duties and Levies		(68,585,163)	(62,352,767)
Net Revenue		791,327,478	609,319,472
Cost of Sales		(746,310,078)	(575,483,539)
Gross Profit		45,017,400	33,835,933
Sundry Income	3	2,243,023	3,352,787
Depot and Station Expenses	2a	(8,980,213)	(6,151,741)
Selling & Administrative Expenses	2b	(23,489,428)	(18,410,620)
Operating profit before financing cost		14,790,782	12,626,359
Net Finance Expenses	4	(600,704)	(1,285,127)
Profit before Taxation		14,190,078	11,341,232
Income Tax Expense	5	(4,788,452)	(3,452,457)
Net Profit After Tax Attributable to Equity Holders Of The Company		9,401,626	7,888,775
Other Comprehensive Income			
Available-for-Sale Financial Assets net of tax	20	366,000	983,000
Deferred Tax on Revaluation	20	0	(147,450)
Total Other Comprehensive Income		366,000	835,550
Total Comprehensive Income for the year		9,767,626	8,724,325
Earnings per share (GH¢)	29	0.045	0.038
Dividend per share (GH¢)	29	0.015	0.014

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	2012 GH¢	2011 GH¢
NON CURRENT ASSETS			
Property, Plant and Equipment	8a	46,823,684	32,657,734
Intangible Asset	12	851,825	0
Available for Sale Financial Instruments	9a	5,546,089	5,180,089
TOTAL NON CURRENT ASSETS		53,221,598	37,837,823
CURRENT ASSETS			
Stocks	10	12,375,835	9,926,343
Accounts Receivable	11	90,297,148	65,302,612
Short Term Investment	9b	3,900,227	2,000,000
Cash and Bank Balances	13	3,995,913	6,465,964
TOTAL CURRENT ASSETS		110,569,123	83,694,919
TOTAL ASSETS		163,790,721	121,532,742
EQUITY			
Stated Capital	17	11,809,263	11,809,263
Building Fund	18	1,599,217	1,129,136
Income Surplus	19	27,508,113	21,519,175
Capital Surplus	20	6,058,355	5,692,355
TOTAL EQUITY		46,974,948	40,149,929
NON CURRENT LIABILITIES			
Deferred Tax	7b	2,822,389	1,415,570
Term Loan	16b	8,121,909	1,465,600
TOTAL NON CURRENT LIABILITIES		10,944,298	2,881,170
CURRENT LIABILITIES			
Bank Overdraft	14	1,316,148	2,009,604
Accounts Payable	15	99,131,373	72,841,345
Short Term Loan	16c	3,636,477	2,350,500
Current Tax	7a	1,787,477	1,300,194
TOTAL CURRENT LIABILITIES		105,871,475	78,501,643
TOTAL LIABILITIES		116,815,773	81,382,813
TOTAL EQUITY AND LIABILITIES		163,790,721	121,532,742

Approved by the Board on 28th March, 2013

....Director ....Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

2012	Stated Capital GH¢	Building Fund GH¢	Income Surplus GH¢	Capital Surplus GH¢	Totals GH¢
Balance at 1 January	11,809,263	1,129,136	21,519,175	5,692,355	40,149,929
Net profit for the year	0	0	9,401,626	0	9,401,626
Transfer to Building Fund	0	470,081	(470,081)	0	0
Revaluation Gain on Available for Sale Investments	0	0	0	366,000	366,000
Dividend paid	0	0	(2,942,607)	0	(2,942,607)
Balance at 31 December	11,809,263	1,599,217	27,508,113	6,058,355	46,974,948
2011					
Balance at 1 January	11,809,263	734,697	16,047,683	4,856,805	33,448,448
Net profit for the year	0	0	7,888,775	0	7,888,775
Transfer to Building Fund	0	394,439	(394,439)	0	0
Revaluation Gain on Available for Sale Investments	0	0	0	983,000	983,000
Over Provision of Corporate Taxes up to Year 2009	0	0	397,124	0	397,124
Deferred tax on Revaluation Gain	0	0	0	(147,450)	(147,450)
Dividend paid	0	0	(2,419,968)	0	(2,419,968)
Balance at 31 December	11,809,263	1,129,136	21,519,175	5,692,355	40,149,929

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 GH¢	2011 GH¢
Cash flow from operating activities		
Operating Profit	14,190,078	11,341,232
Adjustment for:		
Depreciation and Amortisation charges	4,828,924	2,815,870
Profit on sale of Property, Plant and Equipment	(77,273)	(2,628)
Interest and Dividend Received	(666,649)	(272,843)
Interest Paid	1,267,353	1,557,970
Net effect of Assets Reversed	30,000	0
Operating Profit Before Working Capital Changes	19,572,433	15,439,601
Increase in Stocks	(2,449,492)	(1,074,579)
Increase in Debtors	(24,994,536)	(7,628,685)
Increase in Creditors	26,290,028	12,785,794
Cash generated from operations	18,418,433	19,522,131
Company Tax Paid	(2,894,350)	(1,495,851)
Net Cash Inflow from Operating activities	15,524,083	18,026,280
Cash flows from Investing activities		
Interest and Dividend Received	666,649	272,843
Interest paid	(1,267,353)	(1,557,970)
Acquisition of Property, Plant and Equipment	(19,908,819)	(9,639,746)
Receipt from disposal of Property, Plant and Equipment	109,393	226,019
	(20,400,130)	(10,698,854)
Net Cash Inflows Before Financing	(4,876,047)	7,327,426
Cash flows from Financing Activities		
Changes in Term Loan	7,942,286	(1,227,541)
Dividend paid	(2,942,607)	(2,419,968)
	4,999,679	(3,647,509)
Net Increase in Cash and Cash Equivalents	123,632	3,679,917
Cash and Cash Equivalents at 1 January	6,456,360	2,776,443
Cash and Cash Equivalents at 31 December	6,579,992	6,456,360
Cash and Cash Equivalents		
Cash at Bank and in Hand	3,995,913	6,465,964
Bank Overdraft	(1,316,148)	(2,009,604)
Short Term Investment	3,900,227	2,000,000
	6,579,992	6,456,360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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 domiciled in Ghana under the Companies Code, 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. Summary of Significant Accounting Policies
The significant accounting policies adopted by Ghana Oil Company Limited under the International Financial Reporting Standards (IFRSs) are set out below.

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

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

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

ii. Financial Assets and Financial Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

- Financial Assets and Financial Liabilities at Fair Value through Profit or Loss
  Financial asset or liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

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

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

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

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

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

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

- Offsetting
  Financial assets and financial liabilities are set off and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

  Income and expense are presented on the net basis only when permitted by the accounting standards or interpretation, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

- Measurement of Impairment and Provision for Credit Losses
  The Company shall assess at each balance sheet date, whether there is any objective evidence that a financial asset or group of financial assets is impaired.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

- significant financial difficulty of the issuer or the obligor;
- a breach of contract, such as a default or delinquency in interest or principal payment;
- the lender (the Company), for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
  observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including:

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

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

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

Provision for credit losses is based on the following principles:

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

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

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

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

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

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

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

iii. Loans and Advances

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

iv. Investments

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

Investments are initially measured at cost. Available for sale investments are subsequently re-measured at fair value based on quoted prices. Fair values for unlisted securities are estimated using market values of the underlying securities or appropriate valuation methods.

Held to maturity investments are carried at amortised cost less any provision for impairment. Amortised cost is calculated on the effective interest method.

v. Property, Plant and Equipment

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

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

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

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

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

vi. Translation of Foreign Currencies

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

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

vii. Cash and Cash Equivalents

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

viii. Leases

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

Finance leases - leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of the fair value of the lease property, plant and equipment and the present value of minimum lease payments. Each lease payment is allocated between the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding rental obligations, net of finance charges, are included on other long term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

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

ix. Provision

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

x. Deferred Taxation

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

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

xi. Current Taxation

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

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

xii. Dividends on Ordinary Shares

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

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events notes.

Interim dividends are recognised when paid.

xiii. Borrowings

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

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.

xiv. Borrowing Cost

Borrowing cost 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

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

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

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

xvii. Employee Benefits

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

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

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

- Social Security and National Insurance Trust (SSNIT)
  Under a National Deferred Benefit Pension Scheme, the Company contributes 12.5% 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.

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

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

xix. Earnings per share (EPS)
The company presents basic and diluted 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

xx. The following standards, amendments and interpretations were also applicable for the year ended 31st December 2012 and were either not relevant to Ghana Oil Company Limited or had no impact on the Company's Financial Statements:

	Amendments/Improvements	Effective date
IFRIC 14	IAS 19. The limit on a Define Benefit Assets. Minimum Funding Requirements and their Interaction.	1 January 2011
IFRS 1	IFRS 1. First time Adoption of IFRSs	1 January 2011
IAS 34	IAS 34. Interim Financial Reporting	1 January 2011
IFRIC 13	IFRIC 13. Consumer Loyalty Programmes	1 January 2011
IFRS 7	IFRS 7. Disclosure - Transfers of Financial Assets	1 July 2011
IAS 24	IAS (revised). Related Party Disclosures - The revisions provide a partial exemption from the disclosure requirements for government - related entities and simplify the definition of a related party.	1 January 2011

xxi. New standards and interpretations not yet adopted

	Amendments/Improvements	Effective date
IFRS 9	Financial Instruments IFRS 9 introduces new requirements for classifying and measuring financial assets and financial liabilities.	1 January 2015
IAS 19	Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects.	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IFRS 12	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
IAS 28	Investments in Associates – Reissued as IAS 28, Investments in Associates and Joint Ventures (as amended in 2011)	1 January 2013
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	1 January 2014

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

2.a DEPOT AND STATION EXPENSES
Includes depreciation; GH¢3,196,206 (2011 - GH¢2,319,025)

	2012	2011
b. SELLING AND ADMINISTRATION EXPENSES		
Include the following:	GH¢	GH¢
Depreciation and Amortisation	1,630,967	496,845
Directors' Fees & Expenses	437,654	408,093
Auditors' Remuneration	65,000	60,000
Donations	262,553	126,920
3. SUNDRY INCOME		
Exchange Gain	835,375	440,124
Contractors Registration	7,720	30
Miscellaneous Income	296,920	265,923
Various Rent	845,169	773,808
Sale of Materials	17	988
Discounts Received	0	1,542,790
Penalties on Customers Dishonored Cheques	180,549	68,935
Profit on Sale of Property, Plant and Equipment	77,273	5,128
Storage and Premium Income	0	255,061
	2,243,023	3,352,787
4. NET FINANCE EXPENSES		
Interest Income	666,649	272,843
Bank, Loan Interest and Other Finance Charges	(1,267,353)	(1,557,970)
	(600,704)	(1,285,127)
5. TAXATION		
Current Tax	3,381,633	2,485,758
Deferred Tax	1,406,819	966,699
	4,788,452	3,452,457
6. RECONCILIATION OF EFFECTIVE TAX		
Profit Before Tax	14,190,078	11,341,232
Tax at Applicable Tax Rate at 25%(2011 - 25%)	3,547,520	2,835,308
Tax Effect of Non-deductible Expenses	1,533,528	874,902
Tax Effect of Non-chargeable Income	(301,854)	(148,170)
Tax Effect of Capital Allowances	(1,397,560)	(1,076,282)
Origination/(reversal) of Temporary Differences	1,406,819	966,699
	4,788,452	3,452,457
Effective Tax Rate (%)	33.75	30.44

7a. CURRENT TAX

Income Tax	Balance at 1 January GH¢	Tax Paid/ Refund GH¢	Charge/Credit to P&L GH¢	Balance at 31 December GH¢
Up to 2009	2,525	0	0	2,525
2010	(312,812)	0	0	(312,812)
2011	(989,907)	0	0	(989,907)
2012	0	2,894,350	(3,381,633)	(487,283)
Total	(1,300,194)	2,894,350	(3,381,633)	(1,787,477)

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

	2012	2011
Balance at 1 January	1,415,570	301,421
Charge to P & L for the year	1,406,819	966,699
Charge to Capital Surplus	0	147,450
Balance at 31 December	2,822,389	1,415,570

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2011 - 25%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

8a PROPERTY, PLANT AND EQUIPMENT

2012	F'HOLD LAND & BUILDINGS	L'SEHOLD LAND & BUILDINGS	PLANT MACH. & EQUIP.	MOTOR VEHICLES	FURN. & EQUIP.	COMPUTERS & ACCESS.	CAPITAL WORK IN PROGRESS	TOTAL
Cost / Valuation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 01.01.2012	43,004	29,551,009	22,221,191	2,841,521	1,593,016	369,988	1,638,015	58,257,744
Additions during the year	783,281	2,432,603	3,604,090	3,877,660	315,799	185,634	7,644,971	18,844,038
Transfers during the year	0	9,024,980	245,303	0	0		(9,270,283)	0
Disposals during the year	0	0	0	(440,099)	(11,650)		0	(451,749)
Reversal	(30,000)	0	0	0	0		0	(30,000)
Balance at 31.12.2012	796,285	41,008,592	26,070,584	6,279,082	1,897,165	555,622	12,703	76,620,033
Depreciation								
Balance at 01.01.2012	6,458	3,694,408	18,548,080	2,067,740	977,417	305,907	0	25,600,010
Charges during the year	15,326	1,025,215	2,157,416	1,154,027	152,068	111,916	0	4,615,968
Disposal during the year	0	0	0	(407,979)	(11,650)		0	(419,629)
Balance at 31.12.2012	21,784	4,719,623	20,705,496	2,813,788	1,117,835	417,823	0	29,796,349
Net Book Values								
31 December 2012	774,501	36,288,969	5,365,088	3,465,294	779,330	137,799	12,703	46,823,684
31 December 2011	36,546	25,856,601	3,673,111	773,781	615,599	64,081	1,638,015	32,657,734

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 2012

8b PROPERTY, PLANT AND EQUIPMENT

2011

Cost / Valuation	F'HOLD LAND & BUILDINGS GH¢	L'SEHOLD LAND & BUILDINGS GH¢	PLANT MACH. & EQUIP. GH¢	MOTOR VEHICLES GH¢	FURN. & EQUIP. GH¢	COMPUTERS & ACCESS. GH¢	CAPITAL WORK IN PROGRESS GH¢	TOTAL GH¢
Balance at 01.01.2011	13,004	25,034,956	19,634,223	2,482,103	1,460,301	331,790	264,579	49,220,956
Additions during the year	30,000	920,000	1,849,901	707,072	132,715	38,198	5,961,860	9,639,746
Transfers during the year	0	3,851,357	737,067	0	0	0	(4,588,424)	0
Disposals during the year	0	(255,304)	0	(347,654)	0	0	0	(602,958)
Balance at 31.12.2011	43,004	29,551,009	22,221,191	2,841,521	1,593,016	369,988	1,638,015	58,257,744
Depreciation								
Balance at 01.01.2011	5,598	2,987,546	16,968,690	2,120,757	846,528	234,588	0	23,163,707
Charges during the year	860	738,775	1,579,390	294,637	130,889	71,319	0	2,815,870
Disposal during the year	0	(31,913)	0	(347,654)	0	0	0	(379,567)
Balance at 31.12.2011	6,458	3,694,408	18,548,080	2,067,740	977,417	305,907	0	25,600,010
Net Book Value								
31 December 2011	36,546	25,856,601	3,673,111	773,781	615,599	64,081	1,638,015	32,657,734
31 December 2010	7,406	22,047,410	2,665,533	361,346	613,773	97,202	264,579	26,057,249

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 2012

	2012 GH¢	2011 GH¢
9a AVAILABLE FOR SALE FINANCIAL INSTRUMENTS		
Ghana Bunkering Services Ltd.	222,278	222,278
Ghana Fertilizer Company	2	2
Total Petroleum Ghana Ltd.	2,349,000	1,983,000
Tema Lube Oil Company Ltd.	10,954	10,954
Metro Mass Transit Company Ltd.	414,000	414,000
Joint User Hydrant Installation (JUHI)	2,549,855	2,549,855
	5,546,089	5,180,089

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

	2012 GH¢	2011 GH¢
9b SHORT TERM INVESTMENT		
Fixed Deposit	3,900,227	2,000,000
10. STOCKS & GOODS IN TRANSIT		
Trading: Gas Cookers & Parts	872	7,952
Fuel	1,555,941	333,752
Lubricants	7,782,898	7,480,148
L.P. Gas	262,943	126,501
Bitumen	34,527	0
	9,637,181	7,948,353
Non Trading : Materials	2,633,283	1,977,323
	12,270,464	9,925,676
Goods in Transit	105,371	667
	12,375,835	9,926,343
11. ACCOUNTS RECEIVABLE		
Trade Receivable	71,107,973	51,211,306
Other Receivable	18,158,953	12,779,249
Staff Receivable	502,559	539,804
Prepayments	1,189,278	1,193,604
	90,958,763	65,723,963
Less: Provision for Bad & Doubtful Debts	(661,615)	(421,351)
	90,297,148	65,302,612

The maximum amount owed by the staff did not at one particular time exceed:
2012 GH¢502,559 (2011: GH¢539,804)

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 2012

	2012 GH¢	2011 GH¢
12 INTANGIBLE ASSETS		
Cost/Valuation	1,064,781	0
Balance at 31 December	1,064,781	0
Amortisation		
Amortisation for the year	212,956	0
Balance at 31 December	212,956	0
Carrying amount		
At 31 December	851,825	0

This relates to the cost of rebranding.

	2012 GH¢	2011 GH¢
13. CASH AND BANK BALANCES		
Current Account	3,893,750	6,406,959
Cash in Hand	102,163	59,005
	3,995,913	6,465,964

	2012 GH¢	2011 GH¢
14. BANK OVERDRAFT		
Ghana Commercial Bank Limited	404	300
Prudential Bank Limited	1,313,463	0
Standard Chartered Bank Ghana Limited	0	2,001,762
Others	2,281	7,542
	1,316,148	2,009,604

Prudential Bank Limited
The company has an overdraft facility of GH¢1,500,000 with Prudential Bank Limited to supplement the company's resources for its oil marketing operations. Interest rate is at 19.0%. The facility is secured by an existing Negative Pledge over the company's assets. The facility expires on 31 May, 2013.

Standard Chartered Bank Ghana Limited
The company was granted an overdraft facility of GH¢4,000,000 by the bank to meet its operating expenses such as fuel purchases and other operational requirements. The rate of interest is 17.0% (thus the bank's base rate of 22.0% less 5%) per annum payable monthly in arrears and subject to change in line with market conditions. The facility is secured by Negative Pledge over assets of the company, and is to expire 12 months after date of disbursement.

	2012 GH¢	2011 GH¢
15. ACCOUNTS PAYABLE		
Trade Payable	86,069,903	62,615,594
Other Payable	10,753,233	7,353,428
Accruals	2,308,237	2,872,323
	99,131,373	72,841,345

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

16a TERM LOAN

Balance as at 1 January	3,816,100	5,043,641
Addition during the year	7,978,386	152,052
Exchange Loss	575,200	273,600
Loan Repayment	(611,300)	(1,653,193)
	11,758,386	3,816,100

16b LONG TERM PORTION

Medium Term Loan	8,121,909	1,465,600
	8,121,909	1,465,600

16c SHORT TERM PORTION

Government of Ghana	1,465,600	1,465,600
Exchange Loss on GoG Loan	575,200	273,600
Medium Term Loan	1,595,677	611,300
	3,636,477	2,350,500

a) The Government of Ghana Loan (GOIL Subsidiary Loan) was rescheduled in the year 2007 and repayable in seven (7) years with four (4) years grace period commencing 2011. The facility expires on 31 December, 2015.

b) The Company has been granted a Medium Term Loan of US$5,161,280 by Stanbic Bank Ghana Limited, for general corporate purposes including capital expenditure for new Service Stations and Rebranding exercise. The loan is to be repaid in full over a period of five (5) years with six (6) months moratorium. Interest rate is 6.4% fixed per annum. With respect to security the aggregate of all amounts deemed by the Bank to be outstanding under the facility shall be on an unsecured basis. However, the Bank reserves the right to review the facility from time to time and thereafter call for security should it be considered necessary.

17. STATED CAPITAL

	2012	2011
Number of Authorised Shares	1,000,000,000	1,000,000,000
Total Number of Issued Shares	210,186,240	210,186,240
	GH¢	GH¢
Issued for Cash	5,000,200	5,000,200
Issued on Consideration Other than Cash	6,559,263	6,559,263
Issued on Transfer from Surplus	249,800	249,800
	11,809,263	11,809,263

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

18. BUILDING FUND

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

Balance at 1 January	1,129,136	734,697
Transfer from Income Surplus	470,081	394,439
Balance at 31 December	1,599,217	1,129,136

19. INCOME SURPLUS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

20. CAPITAL SURPLUS

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

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

	Available-for-sale Fin. Asset GH¢	Revaluation surplus GH¢	2012 GH¢	2011 GH¢
Balance at 1 January 2012	1,785,596	3,906,759	5,692,355	4,856,805
Revaluation	366,000	0	366,000	983,000
Deferred tax current year	0	0	0	(147,450)
Balance at 31 December 2012	2,151,596	3,906,759	6,058,355	5,692,355

21. DIVIDEND

	2012	2011
Final dividend paid was GH¢0.0140 per Share (2011; GH¢0.0120 per Share)	2,942,607	2,419,968
Payments during the year	(2,942,607)	(2,419,968)
	0	0

A final dividend of GH¢0.015 per share amounting to GH¢3,152,794.00 has been proposed for the year ended 31 December 2012. (2011: GH¢0.0140 per share, amounting to GH¢2,942,607)

22. FINANCIAL RISK MANAGEMENT

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

- Credit Risk
- Liquidity Risk
- Market Risk

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

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established the Audit and Finance committee, which is 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

	2012 GH¢	2011 GH¢
Available for sale Financial Assets	5,546,089	5,180,089
Loans and Receivables	90,297,148	65,302,612
Cash and Cash Equivalents	3,995,913	6,465,964
	99,839,150	76,948,665

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

	2012	2011
Public Institutions	71,107,973	51,211,306

Impairment Losses

	2012		2011	
	Gross GH¢	Impairment GH¢	Gross GH¢	Impairment GH¢
Past due after 0 - 180 days	71,107,973	0	51,211,306	0

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

	2012 GH¢	2011 GH¢
Balance at 1 January	71,107,973	51,211,306
Impairment loss recognised	(661,615)	(421,351)
Balance at 31 December	70,446,358	50,789,955

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 2012

The following are contractual maturities of financial liabilities;

31 December 2012

Non-derivative Financial Liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH¢	GH¢	GH¢	GH¢
Secured Bank Loans	11,758,386	1,818,239	1,818,239	8,121,909
Trade and Other Payables	99,131,373	99,131,373	0	0
Bank Overdraft	1,316,148	1,316,148	0	0
Balance at 31 December 2012	112,205,907	102,265,760	1,818,239	8,121,909

31 December 2011

Non-derivative Financial Liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH¢	GH¢	GH¢	GH¢
Secured Bank Loans	3,816,100	1,175,250	1,175,250	1,465,600
Trade and Other Payables	72,841,345	72,841,345	0	0
Bank Overdraft	2,009,604	2,009,604	0	0
Balance at 31 December 2011	78,667,049	76,026,199	1,175,250	1,465,600

Market Risk
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	
	2012	2011
Variable Rate Instrument	GH¢	GH¢
Financial Liabilities	13,074,534	5,825,704

Fair Value Sensitivity Analysis for Fixed Rate Instrument

The company did not have fixed rate instrument at 31 December 2012 and also at 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

23. FAIR VALUES

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

	31 December 2012		31 December 2011	
	Carrying Amount GH¢	Fair Value GH¢	Carrying Amount GH¢	Fair Value GH¢
Loans and Receivables				
Trade and Other Receivables	90,297,148	90,297,148	65,302,612	65,302,612
Cash and Cash Equivalents	3,995,913	3,995,913	6,465,964	6,465,964
Short Term Investment	3,900,227	3,900,227	2,000,000	2,000,000
	98,193,288	98,193,288	73,768,576	73,768,576
Available for Sale Financial Instrument				
Long Term Investment	5,546,089	5,546,089	5,180,089	5,180,089
Other Financial Liabilities				
Secured Bank Loan	11,758,386	11,758,386	3,816,100	3,816,100
Trade and Other Payables	99,131,373	99,131,373	72,841,345	72,841,345
Bank Overdraft	1,316,148	1,316,148	2,009,604	2,009,604
	112,205,907	112,205,907	78,667,049	78,667,049

24. CAPITAL COMMITMENTS
There were no commitments for capital expenditure at the balance sheet date and at 31 December 2012.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

26. TWENTY LARGEST SHAREHOLDERS

Shareholders		Number of Shares	Percentage Holding (%)
1	GOVERNMENT OF GHANA	107,408,019	51.10
2	SOCIAL SECURITY & NATIONAL INSURANCE TRUST	38,936,882	18.52
3	THE QUANTUM GROUP LIMITED	17,166,493	8.17
4	HOPEFIELD CAPITAL LIMITED	2,178,400	1.04
5	SCBN/STANCHART MAURITIUS RE	1,398,775	0.67
6	MR. DANIEL OFORI	859,282	0.41
7	SCBN/BARCLAYS MAURITIUS RE KAS	700,300	0.33
8	SCBN/ELAC POLICY HOLDERS	618,455	0.29
9	ESL MAIN	569,146	0.27
10	DONEWELL LIFE COMPANY LIMITED	320,156	0.15
11	ZHAO HAIJUN	307,276	0.15
12	SCBN/DATABANK BALANCE FUND LTD.	281,200	0.13
13	GHANA COCOA BOARD	250,351	0.12
14	SIC GENERAL BUSINESS	250,351	0.12
15	OPARE-SEM DANIEL KWADWO MR.	227,100	0.11
16	STD NOMS TVL PTY/IMARA S P REID	225,228	0.11
17	GLICO GEN. INSURANCE COMPANY LIMITED	223,895	0.11
18	SCBN/BARCLAYS MAURITIUS	221,772	0.11
19	MR VICTOR KWADWO DJANGMAH	220,000	0.10
20	SCGN/RBC HYPOSWISS (LUX) FUND-AFRICA	198,000	0.09
TOTAL OF TWENTY LARGEST SHAREHOLDERS		172,561,081	82.10
TOTAL OF OTHERS		37,625,159	17.90
GRAND TOTALS		210,186,240	100.00

27. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	10,878	5,970,833	2.84
1,001 - 5,000	3,689	9,876,147	4.70
5,001 - 10,000	497	4,198,804	2.00
10,001 - 50,000	506	11,373,314	5.41
50,001 - 999,999,999	89	178,767,142	85.05
		210,186,240	100.00

28. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES
Prof. William A. Asomaning	5,000
Nana Esuman Kwesi Yankah	4,800
Mr. Eugene Akoto-Bamfo	3,350
Mr. Thomas Kofi Manu	10,360
Mr. Chris A. Ackummey	1,775
Mad. Faustina Nelson	19,000
Mr. Kojo Bonsu	5,900
Mr. Patrick Akpe Kwame Akorli	115,675
	165,860

29. NUMBER OF SHARES IN ISSUE

Earnings per share and Dividend per share are based on 210,186,240 (2011; 210,186,240)

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 25th July, 2013 at 11:00 a.m. and at any adjournment thereof.

This form is to be used:

1	In favour of * against	The Resolution to adopt the Reports of the Directors and the Financial Statements of the Company for the year ended December 31, 2012.
2	In favour of * against	The Resolution to declare a dividend with respect to the Year ended December 31, 2012 as recommended by the Directors
3	In favour of * against	The re-election of Mr. Chris A-Ackummey as a Director
4	In favour of * against	The re-election of Mr. Eugene Akoto-Bamfo as a Director
5	In favour of * against	The re-election of Mr. Kojo Bonsu as a Director
6	In favour of * against	The Resolution to authorize the Directors to fix the remuneration of the Auditors
7	In favour of * against	The Resolution to fix the remuneration of the Directors
8	In favour of * against	The Resolution to approve the transfer of GH?20 million from Income Surplus Account to Stated Capital Account
9	In favour of * against	The Resolution to approve the issue of 2,101,862 Bonus Shares
10	In favour of * against	The Resolution to authorize the Directors to raise additional capital not exceeding GH?100 million by way of rights issue and/or private placement.

On any other business transacted at the meeting and unless otherwise instructed in Paragraphs 1 to 10 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.

....
Signature of Shareholder

Signed this.......................... day of........................2013.

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

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

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

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

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

5. Please sign the above Proxy Form and post it so as to reach the address shown below not later than 4:00p.m. on Tuesday, 23rd July, 2013.

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

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

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