



Accountants &
business advisers

GHANA OIL COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017

**GHANA OIL COMPANY LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**GHANA OIL COMPANY LIMITED
REPORT OF THE DIRECTORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

In accordance with the requirements of section 132 of the Companies Act 1963 (Act 179), we the Board of Directors of Ghana Oil Company Limited, present herewith the annual report on the state of affairs of the Company and its Subsidiary for the year ended December 31, 2017.

RESULTS OF OPERATIONS

	Group		Company	
	2017 GH¢'000	2016 GH¢'000	2017 GH¢'000	2016 GH¢'000
Gross sales	4,669,509	4,111,463	3,058,818	2,645,441
Customs duties and levies	(590,946)	(617,072)	(590,946)	(617,072)
Net sales	4,078,563	3,494,391	2,467,872	2,028,369
Profit for the year	84,523	75,070	49,511	49,998
from which is deducted; provision for estimated income tax of	(19,434)	(21,422)	(10,176)	(14,742)
leaving a net profit after tax of	65,089	53,648	39,335	35,256
to which is added the income surplus brought forward from the previous year of	108,621	63,692	74,654	47,198
	173,710	117,340	113,989	82,454
Less:				
final dividend paid; for 2016 at GH¢0.025 per share (2015 at GH¢0.020 per share)	(9,796)	(6,037)	(9,796)	(6,037)
transfer to building fund,	(3,254)	(2,682)	(1,967)	(1,763)
	160,659	108,621	102,226	74,654

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.

**GHANA OIL COMPANY LIMITED
REPORT OF THE DIRECTORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS

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

Name			Date appointed	Date resigned
Hon. Peter Kwamena Bartels	Chairman	-	18.05.2017	-
Mr. Patrick Akpe Kwame Akorli	Member	-	01.06.2012	-
Mr. Thomas Kofi Manu	Member	-	25.07.2012	-
Hon. Kwame Osei-Prempeh	Member	-	18.05.2017	-
Mr. Beauclerc Ato Williams	Member	-	18.05.2017	-
Mrs. Beatrix Agyeman Prempeh	Member	-	18.05.2017	-
Mr. Robert Owusu Amankwah	Member	-	18.05.2017	-
Mrs Rhoderline Baafour-Gyimah	Member	-	18.05.2017	-
Mr. Stephen Abu Tengan	Member	-	18.05.2017	-
Prof. William A. Asomaning	Member	-	16.07.2009	18.05.2017
Mr. Eugene Akoto-Bamfo	Member	-	25.07.2013	18.05.2017
Mr. Chris A-Ackummey	Member	-	25.07.2013	18.05.2017
Nana Esuman Kwesi Yankah	Member	-	12.05.2016	18.05.2017
Ms. Faustina Nelson	Member	-	12.05.2016	18.05.2017
Mr. Damian Yelbonkang Zaato	Member	-	12.05.2016	18.05.2017
Alhaji Razak El Alawa	Member	-	30.04.2015	18.05.2017

DIVIDEND

A final dividend of GH¢0.025 per share amounting to GH¢9,796,578.00 has been proposed for the year ended 31 December 2017. (2016: GH¢0.025 per share, amounting to GH¢9,796,578).

SUBSIDIARY

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

EVENTS AFTER THE REPORTING DATE

The Directors confirm that no matters have arisen since December 31, 2017, which materially affect the financial statements of the company for the year ended on that date.

.....Director

.....Director

.....2018.

GHANA OIL COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Group		Company	
		2017 GH¢'000	2016 GH¢'000	2017 GH¢'000	2016 GH¢'000
Gross Revenue		4,669,509	4,111,463	3,058,818	2,645,441
Customs Duties and Levies		(590,946)	(617,072)	(590,946)	(617,072)
Net Revenue		4,078,563	3,494,391	2,467,872	2,028,369
Cost of Sales		(3,875,756)	(3,316,562)	(2,311,965)	(1,882,756)
Gross Profit		202,807	177,829	155,907	145,613
Sundry Income	3	18,232	15,087	18,232	15,087
Depot and Station Expenses	2a.	(44,626)	(40,850)	(43,556)	(40,091)
Staff, Selling & Administrative Expenses	2b.	(96,003)	(84,028)	(85,507)	(77,679)
Operating profit before financing cost		80,410	68,038	45,076	42,930
Net Finance Income	4	4,113	7,032	4,435	7,068
Profit before Taxation		84,523	75,070	49,511	49,998
Income Tax Expense	5	(19,434)	(21,422)	(10,176)	(14,742)
Net profit after tax attributable to equity holders of the company		65,089	53,648	39,335	35,256
Other Comprehensive Income					
Available - for - Sale Financial Assets	20	1,613	(3,454)	1,613	(3,454)
Total Other Comprehensive Income		1,613	(3,454)	1,613	(3,454)
Total Comprehensive Income for the year		66,702	50,194	40,948	31,802
Earning per share (GH¢)	28	0.166	0.137	0.100	0.090
Dividend per share (GH¢)	21	0.025	0.025	0.025	0.025

GHANA OIL COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	<i>Notes</i>	Group		Company	
		2017 GH¢'000	2016 GH¢'000	2017 GH¢'000	2016 GH¢'000
NON CURRENT ASSETS					
Property, Plant and Equipment	8a	426,368	305,206	409,436	302,478
Intangible Asset	12	2,669	4,204	2,669	4,204
Available for Sale Financial Instruments	9a	7,230	5,618	7,260	5,648
TOTAL NON CURRENT ASSETS		436,267	315,028	419,365	312,330
CURRENT ASSETS					
Stocks	10	112,981	47,940	42,153	29,594
Accounts Receivable	11	409,671	374,074	396,780	313,983
Held to Maturity Investments	9b	8,455	56,836	8,455	56,836
Current tax	7a	5,166	5,293	7,346	6,046
Cash and Bank Balances	13	63,970	69,251	26,430	39,554
TOTAL CURRENT ASSETS		600,243	553,394	481,164	446,013
TOTAL ASSETS		1,036,510	868,422	900,529	758,343
EQUITY					
Stated Capital	17	185,589	185,589	185,589	185,589
Building Fund	18	13,436	9,575	10,361	7,788
Income Surplus	19	160,659	108,621	102,226	74,654
Capital Surplus	20	7,383	5,770	7,383	5,770
TOTAL EQUITY		367,067	309,555	305,559	273,801
NON CURRENT LIABILITIES					
Deferred Tax	7b	12,216	10,107	12,158	9,982
Non Current Term Loan	16b	0	1,633	0	1,633
TOTAL NON CURRENT LIABILITIES		12,216	11,740	12,158	11,615
CURRENT LIABILITIES					
Bank Overdraft	14	52,567	41,383	52,567	41,383
Accounts Payable	15	602,900	494,651	528,485	420,451
Current Portion of Term Loan	16c	1,760	11,093	1,760	11,093
TOTAL CURRENT LIABILITIES		657,227	547,127	582,812	472,927
TOTAL LIABILITIES		669,443	558,867	594,970	484,542
TOTAL EQUITY AND LIABILITIES		1,036,510	868,422	900,529	758,343

Approved by the Board on.....2018.

.....Director

.....Director

GHANA OIL COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

GROUP	Stated Capital	Building Fund	Income Surplus	Capital Surplus	Totals
2017	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2017	185,589	9,575	108,621	5,770	309,555
Net profit for the year	0	0	65,089	0	65,089
Transfer to Building Fund	0	3,254	(3,254)	0	0
Interest Earned on Amount Invested	0	606	0	0	606
Revaluation Gain on Available for Sale Investments	0	0	0	1,613	1,613
Dividend paid	0	0	(9,796)	0	(9,796)
Balance at 31 December 2017	185,589	13,436	160,659	7,383	367,067
2016					
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	31,809	9,575	108,621	5,770	309,555
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COMPANY					
Balance at 1 January 2017	185,589	7,788	74,654	5,770	273,801
Net profit for the year	0	0	39,335	0	39,335
Transfer to Building Fund	0	1,967	(1,967)	0	0
Interest Earned on Amount Invested	0	606	0	0	606
Revaluation Gain on Available for Sale Investments	0	0	0	1,613	1,613
Dividend paid	0	0	(9,796)	0	(9,796)
Balance at 31 December 2017	185,589	10,361	102,226	7,383	305,559
2016					
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 Gain 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

GHANA OIL COMPANY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017	2016	2017	2016
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash flow from operating activities				
Operating Profit	84,523	75,070	49,511	49,998
Adjustment for:				
Depreciation and Amortisation charges	28,878	21,130	27,674	20,051
Loss/(Profit) on sale of Property, Plant and Equipment	34	(25)	34	(25)
Interest and Dividend Received	(11,793)	(11,137)	(11,793)	(11,137)
Interest Paid	7,680	4,105	7,358	4,069
Operating Profit Before Working Capital Changes	109,322	89,143	72,784	62,956
Changes in Stocks	(65,041)	(12,449)	(12,559)	(5,010)
Changes in Debtors	(35,597)	(63,412)	(82,797)	(46,681)
Changes in Creditors	105,503	131,612	105,287	98,147
Cash generated from operations	114,187	144,894	82,715	109,412
Company Tax Paid	(17,198)	(27,877)	(9,300)	(16,035)
Net Cash Inflow from Operating activities	96,989	117,017	73,415	93,377
Cash flows from Investing activities				
Interest and Dividend Received	11,793	11,137	11,793	11,137
Interest paid	(7,680)	(4,105)	(7,358)	(4,069)
Acquisition of Property, Plant and Equipment	(148,730)	(137,558)	(133,321)	(135,448)
Receipt from disposal of Property, Plant and Equip.	189	48	189	48
Net Cash Outflows from Investing Activities	(144,428)	(130,478)	(128,697)	(128,332)
Net Cash Outflows Before Financing	(47,439)	(13,461)	(55,282)	(34,955)
Cash flows from Financing Activities				
Changes in Term Loan	(10,966)	(19,728)	(10,966)	(19,728)
New Capital Introduced	0	150,000	0	150,000
Dividend paid	(6,441)	(2,953)	(6,441)	(2,953)
Net Cash Inflows from Financing Activities	(17,407)	127,319	(17,407)	127,319
Net (Decrease)/Increase in Cash and Cash Equivalents	(64,846)	113,858	(72,689)	92,364
Cash and Cash Equivalents at 1 January	84,704	(29,154)	55,007	(37,357)
Cash and Cash Equivalents at 31 December	19,858	84,704	(17,682)	55,007
Cash and Cash Equivalents				
Cash at Bank and in Hand	63,970	69,251	26,430	39,554
Bank Overdraft	(52,567)	(41,383)	(52,567)	(41,383)
Held to Maturity Investments	8,455	56,836	8,455	56,836
	19,858	84,704	(17,682)	55,007

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017	2016	2017	2016
2.a DEPOT AND STATION EXPENSES;	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Includes depreciation; - GH¢21,686,248 (2016 - GH¢15,596,559)				
b. SELLING AND ADMINISTRATION EXPENSES;				
Include the following:-				
Depreciation and Amortisation	7,192	5,525	6,018	4,454
Directors' Fees & Expenses	1,520	1,131	1,417	1,051
Auditors' Remuneration	210	166	150	120
Donation and Corporate Social Responsibility	8,749	4,907	6,422	4,025
	<u>18,232</u>	<u>15,087</u>	<u>18,232</u>	<u>15,087</u>
3. SUNDRY INCOME				
Exchange Gain	1,969	775	1,969	775
Contractors Registration	33	35	33	35
Miscellaneous Income	1,997	2,362	1,997	2,362
Commission	3,318	2,774	3,318	2,774
Various Rent	4,016	5,012	4,016	5,012
Discount Received	6,899	4,104	6,899	4,104
Profit on Sale of Property, Plant and Equipment	0	25	0	25
	<u>18,232</u>	<u>15,087</u>	<u>18,232</u>	<u>15,087</u>
4. NET FINANCE INCOME/EXPENSES				
Interest Income	11,793	11,137	11,793	11,137
Bank loan interest and Other Finance Charges	(7,680)	(4,105)	(7,358)	(4,069)
	<u>4,113</u>	<u>7,032</u>	<u>4,435</u>	<u>7,068</u>
5. TAXATION				
Current Tax	20,697	15,862	11,372	9,282
Over Provision of previous years Assessment.	(3,372)	0	(3,372)	0
	<u>17,325</u>	<u>15,862</u>	<u>8,000</u>	<u>9,282</u>
Deferred Tax Charge	2,109	5,560	2,176	5,460
	<u>19,434</u>	<u>21,422</u>	<u>10,176</u>	<u>14,742</u>

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017	2016	2017	2016
6. RECONCILIATION OF EFFECTIVE TAX	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Profit before tax less rent income	80,507	70,058	45,495	44,986
Tax at applicable tax rate at 25%(2016 - 25%)	20,127	17,515	11,374	11,247
Tax effect of non-deductible expenses	8,994	7,599	8,229	7,083
Tax effect of non-chargeable income	0	(2,006)	0	(2,006)
Tax effect of capital allowances	(9,026)	(7,998)	(8,833)	(7,793)
Tax effect on rent income	602	751	602	751
Over provision of previous years assessments	(3,372)	0	(3,372)	0
Origination/(reversal) of temporary differences	2,109	5,561	2,176	5,460
	19,434	21,422	10,176	14,742
Effective tax rate (%)	22.99	28.54	20.55	34.34

7a. CURRENT TAX

GROUP	Balance at 1 January GH¢'000	Over Provision GH¢'000	Tax Paid/ Refund GH¢'000	Charge to P&L GH¢'000	Balance at 31 Dec. GH¢'000
Up to 2016	5,293	3,372	244	0	8,909
2017	0	0	16,954	(20,697)	(3,743)
Total	5,293	3,372	17,198	-20,697	5,166

COMPANY

Up to 2016	6,046	3,372	0	0	9,418
2017	0	0	9,300	(11,372)	(2,072)
Total	6,046	3,372	9,300	-11,372	7,346

Tax position up to 2016 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.

	Group		Company	
	2017	2016	2017	2016
7b. DEFERRED TAXATION	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January	10,107	4,547	9,982	4,522
Charge for the year	2,109	5,560	2,176	5,460
Balance at 31 December	12,216	10,107	12,158	9,982

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2016 - 25%).

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 01.01.2017	1,195	141,070	109,119	18,380	6,271	2,562	104,645	383,242
Additions during the year	0	14,619	16,314	7,891	1,127	665	108,114	148,730
Transfers during the year	0	21,052	3,483	0	179	14	(24,728)	0
Disposals during the year	0	0	0	(982)	(7)	0	0	(989)
Balance at 31.12.2017	<u>1,195</u>	<u>176,741</u>	<u>128,916</u>	<u>25,289</u>	<u>7,570</u>	<u>3,241</u>	<u>188,031</u>	<u>530,983</u>
Depreciation								
Balance at 01.01.2017	117	13,199	51,284	9,583	2,091	1,763	0	78,037
Charges during the year	24	3,376	18,286	4,150	678	829	0	27,343
Disposal during the year	0	0	0	(764)	(1)	0	0	(765)
Balance at 31.12.2017	<u>141</u>	<u>16,575</u>	<u>69,570</u>	<u>12,969</u>	<u>2,768</u>	<u>2,592</u>	<u>0</u>	<u>104,615</u>
Net Book Value								
31 December 2017	<u>1,054</u>	<u>160,166</u>	<u>59,346</u>	<u>12,320</u>	<u>4,802</u>	<u>649</u>	<u>188,031</u>	<u>426,368</u>
31 December 2016	<u>1,078</u>	<u>127,871</u>	<u>57,835</u>	<u>8,797</u>	<u>4,180</u>	<u>799</u>	<u>104,646</u>	<u>305,206</u>

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

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

8b PROPERTY, PLANT AND EQUIPMENT

COMPANY	F'HOLD	L'SEHOLD	PLANT				CAPITAL	
	LAND &	LAND &	MACH. &	MOTOR	FURN. &	COMPUTERS	WORK IN	
	BUILDINGS	BUILDINGS	EQUIP.	VEHICLES	EQUIP.	& ACCESS.	PROGRESS	TOTAL
Cost / Valuation	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 01.01.2017	1,195	141,070	109,083	15,350	5,333	2,190	104,645	378,866
Additions during the year	0	0	16,200	7,569	860	578	108,114	133,321
Transfers during the year	0	21,052	3,483	0	179	14	(24,728)	0
Disposals during the year	0	0	0	(982)	(7)	0	0	(989)
Balance at 31.12.2017	<u>1,195</u>	<u>162,122</u>	<u>128,766</u>	<u>21,937</u>	<u>6,365</u>	<u>2,782</u>	<u>188,031</u>	<u>511,198</u>
Depreciation								
Balance at 01.01.2017	117	13,199	51,276	8,358	1,929	1,509	0	76,388
Charges during the year	24	3,376	18,256	3,312	504	667	0	26,139
Disposal during the year	0	0	0	(764)	(1)	0	0	(765)
Balance at 31.12.2017	<u>141</u>	<u>16,575</u>	<u>69,532</u>	<u>10,906</u>	<u>2,432</u>	<u>2,176</u>	<u>0</u>	<u>101,762</u>
Net Book Values								
31 December 2017	<u>1,054</u>	<u>145,547</u>	<u>59,234</u>	<u>11,031</u>	<u>3,933</u>	<u>606</u>	<u>188,031</u>	<u>409,436</u>
31 December 2016	<u>1,078</u>	<u>127,871</u>	<u>57,807</u>	<u>6,992</u>	<u>3,404</u>	<u>681</u>	<u>104,645</u>	<u>302,478</u>

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

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017 GH¢'000	2016 GH¢'000	2017 GH¢'000	2016 GH¢'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.	3,673	2,061	3,673	2,061
Tema Lube Oil Company Ltd.	11	11	11	11
Metro Mass Transit Company Limited	414	414	414	414
JUHI	2,910	2,910	2,910	2,910
	7,230	5,618	7,260	5,648
Available for sale financial instruments of the above companies are made up of equity shares.				
9b HELD TO MATURITY INVESTMENT				
Fixed Deposit	8,455	56,836	8,455	56,836
10. STOCKS & GOODS IN TRANSIT				
Trading : Fuel	75,100	19,960	5,031	1,715
Lubricants	10,549	9,097	10,549	9,097
L.P. Gas	137	173	137	173
	85,786	29,230	15,717	10,985
Non Trading : Materials	27,195	18,710	26,436	18,609
	112,981	47,940	42,153	29,594
11. ACCOUNTS RECEIVABLE				
Trade Receivable	392,998	363,025	380,107	304,183
Other Receivable	14,286	11,247	14,286	9,998
Staff Receivable	123	213	123	213
Prepayments	7,160	3,886	7,160	3,886
	414,567	378,371	401,676	318,280
Less: Provision for Bad & Doubtful Debts	(4,896)	(4,297)	(4,896)	(4,297)
	409,671	374,074	396,780	313,983

The maximum amount owed by the staff in thousands of Ghana Cedis did not at one particular time exceed : **2017 GH¢123 (2016: GH¢213)**

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

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Group		Company	
	2017	2016	2017	2016
12 INTANGIBLE ASSETS	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January	8,742	6,697	8,742	6,697
Additions during the year	0	2,045	0	2,045
Balance at 31 December	8,742	8,742	8,742	8,742
Amortisation				
Balance at 1 January	4,538	3,027	4,538	3,027
Amortisation for the year	1,535	1,511	1,535	1,511
Balance at 31 December	6,073	4,538	6,073	4,538
Carrying amount				
At 31 December	2,669	4,204	2,669	4,204

This relates to the cost of rebranding and computer software.

13. CASH AND BANK BALANCES

Current Account	63,940	68,905	26,400	39,208
Cash in Hand	30	346	30	346
	63,970	69,251	26,430	39,554

14. BANK OVERDRAFT

Ghana Commercial Bank Limited	15,231	17,169	15,231	17,169
Universal Merchant Bank Limited	0	6,706	0	6,706
Prudential Bank Ghana Limited	852	8,082	852	8,082
First Atlantic Bank Limited	0	3,555	0	3,555
Ecobank Ghana Limited	20,116	3,586	20,116	3,586
Stanbic Bank Ghana Limited	2,612	2,062	2,612	2,062
Societe Generale Ghana Limited	13,472	0	13,472	0
ADB Bank Ghana Limited	0	199	0	199
National Investment Bank Ghana Limited	205	24	205	24
Barclays Bank Ghana Limited	79	0	79	0
	52,567	41,383	52,567	41,383

Ghana Commercial Bank Limited

The company has an overdraft facility of GH¢40,000,000 with Ghana Commercial Bank Limited at an interest rate of 23.0% and the facility expires on 30 April, 2018.

Universal Merchant Bank Limited

The company has an overdraft facility of GH¢15,000,000 with Universal Merchant Bank Limited at an interest rate of 25.0% and the facility expires on 31 March, 2018.

Prudential Bank Ghana Limited

The company has an overdraft facility of GH¢6,000,000 with Prudential Bank Ghana Limited at an interest rate of 25.50% and the facility expires on 31 December, 2018.

Societe Generale Ghana Limited

The company has an overdraft facility of GH¢27,000,000 with First Atlantic Bank Limited at an interest rate of 20.5% and the facility expires on 31 May, 2018.

Ecobank Ghana Limited

The company has an overdraft facility of GH¢30,000,000 with Ecobank Ghana Limited at an interest rate of 22.0% and the facility expires on 31 December, 2018.

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Group		Company	
	2017	2016	2017	2016
15. ACCOUNTS PAYABLE	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Trade Payable	393,209	418,473	338,863	353,633
Other Payable	209,452	74,344	189,443	66,592
Accruals	239	1,834	179	226
	602,900	494,651	528,485	420,451
16a TERM LOAN				
Balance as at 1 January	12,726	32,454	12,726	32,454
Addition during the year	0	631	0	631
Transfer to stated capital	0	(3,780)	0	(3,780)
Loan repayment	(10,966)	(16,579)	(10,966)	(16,579)
	1,760	12,726	1,760	12,726
16b LONG TERM PORTION				
Medium Term Loan	0	1,633	0	1,633
	0	1,633	0	1,633
16c SHORT TERM PORTION				
Medium Term Loan	1,760	11,093	1,760	11,093
	1,760	11,093	1,760	11,093

First Atlantic Bank

The bank granted a medium term loan facility of GH¢15,000,000 to the company. The facility is due to expire on August, 2018 and interest rate was 26.47% per annum (subject to review in line with market conditions). The facility is to refinance the company's capital expenditure.

Stanbic Bank Ghana Limited

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

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17. STATED CAPITAL	2017	2016
Number of authorised shares	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Total number of issued shares	<u>391,863,128</u>	<u>391,863,128</u>
	GH¢'000	GH¢'000
Issued for Cash	155,000	155,000
issued for consideration other than cash	10,339	10,339
Transfer from Income Surplus	20,250	20,250
	<u>185,589</u>	<u>185,589</u>

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

18. BUILDING FUND

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

Balance at 1 January	9,575	6,294
Transfer from Income Surplus	3,254	2,682
Interest earned on amount invested	606	599
Balance at 31 December	<u>13,435</u>	<u>9,575</u>

19. INCOME SURPLUS

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

20. CAPITAL SURPLUS

This is surplus arising from the revaluation of property, plant and equipment in 1985, 1988 and 2000 by Owusu-Adjapong and Company and Messrs Propicon. It also includes 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 GH¢'000	Revaluation surplus GH¢'000	2017 GH¢'000	2016 GH¢'000
Balance at 1 January 2017	1,864	3,906	5,770	9,224
Revaluation	1,613	0	1,613	(3,454)
Balance at 31 December 2017	<u>3,477</u>	<u>3,906</u>	<u>7,383</u>	<u>5,770</u>

21. DIVIDEND

Final Dividend paid was GH¢0.025 per Share (2015; GH¢0.020 per Share) Payments during the year	9,796	6,037
	<u>(9,796)</u>	<u>(6,037)</u>
	<u>0</u>	<u>0</u>

A final dividend of **GH¢0.025** per share amounting to **GH¢9,796,578.00** has been proposed for the year ended 31 December 2017. (2016: GH¢0.025 per share, amounting to GH¢9,796,578)

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 a little bit higher as sales are made to various customers. These are individuals owning service stations, the company's owned service stations run by the company's marketing officers and institutions across the country. The risk is managed by the company by reducing both the amount and period of credit extended. This is done by the credit risk department whose job is to assess the financial health of their customers, and extend credit (or not) accordingly.

Allowances for impairment

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

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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	
	2017	2016	2017	2016
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Available for sale Financial Assets	7,230	5,618	7,260	5,648
Loans and Receivables	409,671	374,074	396,780	313,983
Cash and Cash Equivalents	63,970	69,251	26,430	39,554
	480,871	448,943	430,470	359,185

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

Public Institutions	392,998	363,025	380,107	304,183
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Impairment Losses (Group)

	2017		2016	
	Gross Impairment	Gross Impairment	Gross Impairment	Gross Impairment
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Past due after 0 - 180 days	392,998	0	363,025	0

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

	2017	2016
	GH¢'000	GH¢'000
Trade Receivables	392,998	363,025
Impairment loss recognised	(4,896)	(4,297)
Balance at 31 December	388,102	358,728

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

Liquidity risk

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

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The following are contractual maturities of financial liabilities (Group);

31 December 2017

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Secured bank loans	1,760	880	880	0
Trade and other payables	602,900	602,900	0	0
Bank overdraft	52,567	52,567	0	0
Balance at 31 December 2017	657,227	656,347	880	0

31 December 2016

Non-derivative financial liability	Amount	6 mths or less	6-12 mths	1-3 years
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Secured bank loans	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

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	
	2017	2016
	GH¢'000	GH¢'000
Variable rate instrument		
Financial liabilities	54,327	54,109

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2017 and also at 31 December 2016.

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017		31 December 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<i>Loans and Receivables</i>				
Trade and Other Receivables	409,671	409,671	374,074	374,074
Cash and Cash Equivalents	63,970	63,970	69,251	69,251
Held to Maturity Investments	8,455	8,455	56,836	56,836
	482,096	482,096	500,161	500,161
<i>Available for Sale Financial Instrument</i>				
Long Term Investment	7,230	7,230	5,618	5,618
<i>Other Financial Liabilities</i>				
Secured Bank Loan	1,760	1,760	12,726	12,726
Trade and Other Payables	602,900	602,900	494,651	494,651
Bank Overdraft	52,567	52,567	41,383	41,383
	657,227	657,227	548,760	548,760

24 CAPITAL COMMITMENTS

There were no commitments for capital expenditure at the balance sheet date as at 31 December 2017 and also as at 31 December 2016.

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.

GHANA OIL COMPANY LIMITED
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	2017	2016
	GH¢'000	GH¢'000
26. RELATED PARTY TRANSACTIONS		
Payable	205,979	193,692

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

Remuneration of Executive Director and other key management personnel

Salaries and other short term benefits	3,381	2,254
Employer social security charges on emoluments	340	230
Provident Fund	338	204
	4,059	2,688

27. NUMBER OF ORDINARY SHARES IN ISSUE

Earning, Dividend per share are based on 391,863,128, (2016; 391,863,128).

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	65,089	53,648
Weighted average number of ordinary shares ('000)	391,863	391,863
Basic earnings per share (Ghana cedis per share)	0.166	0.137

29. CONTINGENT LIABILITIES

Claims that could arise from pending suits against the company at the year-end amounted to GH¢5,114,809.53 and USD\$2,000,000.00 (2016; GH¢9,400,400)

Claims that could arise from pending suits in favour of the company at the year-end amounted to USD\$571,345.00 (2016; GH¢2,399,763)

GHANA OIL COMPANY LIMITED
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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 DEVELOPMENT COMPANY LIMITED	22,740,720	5.80
5 HOPEFIELD CAPITAL LIMITED	3,707,638	0.95
6 SCBN/ELAC POLICY HOLDERS FUND	2,593,912	0.66
7 STD NOM/METLIFE CLASSIC FUND	935,732	0.24
8 SCBN/DATABANK BALANCE FUND LTD.	705,086	0.18
9 MR. VICTOR KODJO DJANGMAH	694,111	0.18
10 SCGN/ENTERPRISE PIER 2 OCCUPATIONAL	637,326	0.16
11 HFCN/EDC GHANA BALANCED FUND LIMITED	609,460	0.16
12 P. A. K AKORLI	522,218	0.13
13 SCGN/GH. MED. ASSOC. PENSION FUND	475,362	0.12
14 SIC GENERAL BUSINESS	472,215	0.12
15 SCGN/ENTERPRISE LIFE ASSOCIATION COMPANY	421,485	0.11
16 MR. E. OFORI-SARKWA	419,257	0.11
17 MR. A. J. ADZEW	417,360	0.11
18 MR. G. AMANQUAH	415,433	0.11
19 DONEWELL LIFE COMPANY LIMITED	384,187	0.10
20 MIHL/GOLD FUNT TRUST	311,300	0.08
TOTALS OF TWENTY LARGEST SHAREHOLDERS	347,027,776	88.56
TOTALS OF OTHERS	44,835,352	11.44
GRAND TOTALS	391,863,128	100.00

GHANA OIL COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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31. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	8,504	4,024,816	1.03
1,001 - 5,000	5,135	10,201,930	2.60
5,001 - 10,000	908	6,072,212	1.55
10,001 - 50,000	635	12,884,738	3.29
50,001 - 999,999,999	132	358,679,432	91.53
		<u>391,863,128</u>	<u>100.00</u>

32. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES	% OF ISSUED SHARES
Mr. Kwame Osei-Prepeh (HON)	12,000	0.0031
Mr. Stephen Abu Tengan	1,410	0.0004
Mr. Thomas Kofi Manu	33,078	0.0084
Mr. Patrick Kwame Akorli	522,218	0.1333
	<u>568,706</u>	<u>0.1451</u>