



**GHANA OIL COMPANY
LIMITED**

*Annual Report &
Financial Statements 2008*



***Introducing the GOIL
Advantage Card (G-CARD)***



GHANA OIL COMPANY LIMITED

Annual Report & Financial Statement | | 2008





Introducing the GOIL Advantage Card (G-Card).

A fast and convenient way to buy from GOIL service stations.

The GOIL Advantage card is a modern prepaid electronic card similar to a debit card. It allows customers to preload an unlimited amount of money onto the card, in order to make purchases later.

The Advantage card is available at the GOIL head office and selected GOIL service stations nationwide.

For more information, tel: 021 688214/5/6/7 | 689221 | 689383 or email us at customerservice@goilonline.com

The card offers consumers immense benefits.

- It reduces the risk of theft because it eliminates the need to carry cash
- It is a convenient way to buy fuel or groceries
- It facilitates close monitoring on amount spent on fuel
- Customers have access to a 24 hour customer service help line for account information
- You can enjoy a loyalty point program which tracks customer spending and rewards them
- One free annual card replacement
- Web access to account information
- Monthly E-report

Sharing good things in business



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BOARD OF DIRECTORS



HONOURABLE FREDDIE BLAY
CHAIRMAN



MR. YAW AGYEMANG-DUAH



MR RICHARD ADU-POKU



MR KOFI ASAMOAH



MR. GOTTFRIED MARTIN SARPONG

Our Vision

To be a world-class provider of goods and services in the petroleum and other areas of the energy industry.



DR. A. K. OFOSU-AHENKORAH



DR. AL-HASSAN EMIL ABDULAI



MR THOMAS KOFI MANU



DR. FRANCIS POKU

Company Information

BOARD OF DIRECTORS:	Hon. Freddie W. Blay	- Chairman (Re-elected) 16.10.08
	Dr. Alhassan Emil Abdulai	- Member (Re-elected) 16.10.08
	Dr. A.K. Oforu-Ahenkorah	- Member (Re-elected) 16.10.08
	Hon. (Mrs) Cecilia G. Amoah	- Member (Retired) 16.10.08
	Mr. Gabby Nsiah Nketiah	- Member (Retired) 16.10.08
	Mr. Gottfried Martin Sarpong	- Member (Re-elected) 16.10.08
	Mr. Fred Antoh	- Member (Retired) 16.10.08
	Dr. Francis A. Poku	- Member (Re-elected) 16.10.08
	Mr. Richard Adu-Poku	- Member (Appointed) 16.10.08
	Mr. Kofi Asamoah	- Member (Appointed) 16.10.08
	Mr. Thomas K. Manu	- Member (Appointed) 16.10.08
Mr. Yaw Agyemang-Duah	- Managing Director (Re-elected) 16.10.08	

SECRETARY: Mr. Stephen Y. Gyaben

AUDITORS: Pannell Kerr Forster
Chartered Accountants
Farrar Avenue
P.O. Box GP 1219
Accra

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

BANKERS: Ghana Commercial Bank
Standard Chartered Bank
Barclays Bank of Ghana Limited
Ecobank Ghana Limited
Merchant Bank Ghana Limited
Agricultural Development Bank Limited
Prudential Bank Limited
Zenith Bank Ghana Limited
1st Atlantic Merchant Bank Ghana Limited

Email: info@goilonline.com
Website: www.goilonline.com

Notice of 40th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 40th 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, 16th July, 2009 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, 2008.
2. To declare a dividend for the year ended December 31, 2008.
3. To elect Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To fix remuneration of the Directors.

SPECIAL BUSINESS

6. To approve the amendment of the Company's Regulations 14(1), 14(1a), 14(1b), 14(1c), 14(2a), 14(2b) to allow for the issuance of and or conversion of shares in electronic book entry form in compliance with the requirements of the Ghana Stock Exchange.

DATED AT ACCRA THE 18TH DAY OF JUNE 2009.

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. A proxy need not be a member of the Company. Completed proxy forms should be deposited at the Registered Office of the company, 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 2008 Accounts

The Board shall propose the acceptance of the 2008 Accounts as the true and fair view of the state of affairs of the Company for the year ended 31st December 2008 and of its performance for the year then ended.

2. To Declare a Dividend

The Directors recommend the payment of a dividend of GH¢0.0085 per share amounting to GH¢1,786,583.04 for the year ended 31st December 2008.

3. To Elect Directors

Seven members of the Board made of five (5) Government Representatives and two (2) Representatives of Social Security and National Insurance Trust (SSNIT) will retire from office.

The following persons are to be elected to replace the retiring Directors:

Prof. William Afiakwa Asomaning	-	Government Representative
Hon. Nii Laryea Afortey Agbo	-	-do-
Mr Kwasi Yankah	-	-do-
Mr Eugene Akoto-Bamfo	-	-do-
Mr Kojo Bonsu	-	-do-
Mr Chris Ackumey	-	SSNIT Representative
Ms Faustina Nelson	-	-do-

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. Special Resolution

Amendments Under the Central Securities Depository Act 2007 (Act 733)

By deleting Regulations 14(1), 14(1a), 14(1b), 14(1c), 14(2a), 14(b) in their entirety and replacing them with the following:

Regulation 14(1)

The Company may, with the authorization of a resolution of the Board of Directors issue securities in uncertificated or dematerialized form.

Regulation 14(2)

The Company may with the authorization of a resolution of the Board of Directors convert a certificated security into an uncertificated security.

Regulation 14(3)

The Company shall accept for registration, transfers in the form approved by the Ghana Stock Exchange or under the Central Securities Depository Act, 2007 (Act 733)

Regulation 14(4)

The manner in which the record of shareholding in the Company shall be kept shall be as determined by the Ghana Stock Exchange and in accordance with the Central Securities Depository Act, 2007 (Act 733).

Profile of Directors



MR YAW AGYEMANG-DUAH

Mr Agyemang-Duah, 58, is a Chemical Engineer by profession and product of Kwame Nkrumah University of Science & Technology (KNUST). He holds an MBA in Finance & Marketing from Syracuse University in New York, USA and member of the Chartered Institute of Marketing, Institute of Energy (UK), International Bunker Industry Association and other professional bodies. He is the current chairman of Association of Oil Marketing Companies and Ghana Bunkering Company Limited and a board member of Tema Lube Oil Company Limited, Volta Lake Transport Company Limited and Metro Mass Transit Company Limited. He previously worked with Ghana Rubber Products Limited, Ghana Investments Promotion Centre and Ghana National Petroleum Corporation. He has been the Managing Director of the Company since 2001.



MR THOMAS KOFI MANU

Mr Thomas Kofi Manu, 50, is a Geophysicist by profession. He holds an MSc. in Exploration Geophysics from the Moscow Institute of Exploratory Geology and an MBA Finance Option, University of Ghana, Legon.

Mr Manu has worked with Ghana National Petroleum Corporation (GNPC) since 1990 and is currently the Director of Exploration and Production. He has sixteen (16) years of Upstream Oil Industry experience gained in a variety of projects including Data Acquisition and Interpretation, Prospect Generation, Appraisal and Early Development Promotion of Ghana's hydrocarbon potential.

Mr Manu is a member of the following National Committees:

- Technical Committee for Natural Gas
- Technical Committee for Policy Formulation for the Upstream Petroleum Sector
- Committee for the Review of Regulatory Framework for Petroleum Exploration and Production.
- Government Petroleum Agreement Negotiating Committee.

He is also a member of a number of Professional Associations including the Association of International Petroleum Negotiators (AIPN), American Association of Petroleum Geologists, Society of Exploration Geophysicists and Ghana Institute of Geoscientists. He was appointed to the Board on 16th October, 2008.

Profile of New Directors to be Elected



PROF. WILLIAM AFIAKWA ASOMANING

Professor William Afiakwa Asomaning, 66, is a Professor of Chemistry at the Chemistry Department of the University of Ghana. He is a product of the University of Ghana and obtained his doctorate degree from the University of Sussex, Brighton, England in 1970.

Apart from the University of Ghana, he has lectured in other Universities including Kwame Nkrumah University of Science and Technology, University of Cape Coast, Imo State University, Nigeria. He has also been the External Examiner for Chemistry for the University of Cape Coast and Kwame Nkrumah University of Science & Technology.

Prof. Asomaning has served on various Boards and Committees both within the University of Ghana and outside the University. These Boards and Committees of the University include the Academic Board, the Balme Library Board, Board of Faculty of Science, Faculty Board of Noguchi Memorial Institute and Medical Research, College of Health Sciences, Appointments and Promotions Committee.

Outside the University, he has been a member of the Management Board of Tema Oil Refinery, Member, National Planning Committee for the Implementation of School Reforms (1989-1992) and member of the West African Examination Council (1997-2003)

Prof. Asomaning has published 23 Journal Articles and has co-authored three books.

Profile of New Directors to be Elected



HON. NII LARYEA AFOTEY AGBO

Hon Joseph Nii Laryea Afotey-Agbo, 42, is the Member of Parliament for the Kpone-Katamanso Constituency. He has an accounting background and also attended the Ghana Institute of Journalism.

Hon. Afotey-Agbo is a businessman and a farmer and was the Public Relations Officer for Nungua Youth Association and the Nungua Traditional Council.

He has since 2005 been a member of various Committees of the Parliament of the Republic of Ghana. These Committees include the following:

- Lands and Forestry - 2005 – 2008
- Works and Housing - 2005 – 2008
- Gender and Children - 2005 – to date
- Lands and Forestry (Vice Chairman) - January 2009 to date
- Trade and Industry - January 2009 to date



NANA ESUMAN KWESI YANKAH

Nana Esuman Kwesi Yankah, 62, worked with the Internal Revenue Service, (IRS) and retired as Assistant Commissioner of Taxes and was a Special Assistant to the then Vice President of the Republic of Ghana, Prof. JEA Mills (1997-2000).

He attended various courses both locally and abroad which included Intax for Senior Management, Accra, Attachment Course Commonwealth Crime Unit (Economic Crimes) London, Intax Middle Management Course in California, USA and International Trade Fraud – Crown Agents London.

Mr Yankah served as a Member, National Office of Revenue Commissioners, (1990-1992).



MS. FAUSTINA NELSON

Ms Faustina Nelson, 61, is trained teacher who between 1967 and 1974 taught in various schools in Kumasi, Ashanti Region. She also has a certificate in Strategic Management from the Ghana Institute of Management and Public Administration (GIMPA).

She is the Founder and Chairperson of Humanity Care International, an NGO and has been a member of various Boards including the following:

- National Investment Bank
- Food and Drugs Board
- National Theatre of Ghana
- GIHOC Meat Products, Tema.

Ms. Nelson is also very active in her church. She is a leader and lay-preacher at Calvary Methodist Church, Adabraka, Accra and has held various positions and also served on various committees within her church.



MR KOJO BONSU

Mr Kojo Bonsu, 50, is a Businessman with various business interests. He is the owner and Chief Executive Officer of the following businesses:

- Ashtead Ghana Ltd – Engaged in printing of T-Shirts, sports ware and garments;
- Trendi Sports Ltd – Sale of Sports equipment
- Agoo Magazine – A Pan-African lifestyle magazine
- Foxtan Trading Ltd – A commodity trading company

He had previously worked with Scholl U.K. Limited, London, Adidas International and is currently the Adidas International Manager and Corporate Representative for Ghana, Nigeria and Cameroon.

Mr Bonsu is a keen sports enthusiast and has been involved with the management of Kumasi Asante Kotoko Football Club and also as Team Manager of the National Team – Black Stars.

Profile of New Directors to be Elected



MR CHRIS KINGSLEY KOBLA ARCMANN ACKUMMEY

Mr Chris Kingsley Kobla Arcmann Ackumme, 58, is a Lawyer by profession. He was a tutor at the E P Secondary School, Hohoe and the Methodist Boys High School, Lagos, Nigeria. He had also worked as a Manager of Besworld Car Rentals, Accra and was Senior Inspector of Taxes, Internal Revenue Service.

Mr Ackumme was a member of the Board of Governors of Keta Secondary School (2006-2008) and is currently the Senior Partner of BCMS Consulting, a firm of Financial Management, Tax & Legal Consultants.



MR EUGENE AKOTO-BAMFO

Mr Eugene Akoto-Bamfo, 36, is a Lawyer by profession and is currently the Managing Partner of Akoto-Bamfo & Co., Legal Practitioners, Accra. He had previously worked with Solomon & Associates, Minkah Premo & Co., law firms in Accra. He was also an Assistant Editor of the Council for Law Reporting.

Mr Akoto-Bamfo has attended various seminars/conferences including the following:

- Workshop on changes in the Law of Taxation
- Short courses in the Law of Securities – Ghana Stock Exchange.

Management Team of GOIL



Mr. Patrick A. K. Akorfi
Finance Manager



Mr. Yaw Agyemang-Duah
Managing Director



Mr. Charles Kwasi Darko
Fuels Marketing Manager



Mr. Stephen Yaw Gyaben
Solicitor/ Secretary

Our Mission

- Market quality petroleum and other energy products and services in all its branches in a healthy, safe, environmentally friendly and socially responsible manner.
- Produce and manufacture goods or provide services which enhance or support market distribution and sale of the company's products and services.



Mr. Alex Adzew
Tech. & Special Products Manager



Mr. Paul Ohene Tagoe
Operations Manager



Mr. Anthony Twumasi
Info. Tech. & Png. Manager



Mr. Joseph Brian Ansah
Administrative Manager



Mr. E. Ofori Sarkwah
Chief Internal Auditor



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

The Chairman's Statement

Introduction

It is my greatest pleasure ladies and gentlemen, to welcome you to the 40th Annual General Meeting and my last as Chairman of your company, GOIL, and to present to you the results of the company.

The Economic and Business Environment

In 2008, the economy grew by 7.3%, thanks to the strong growth in all three key sectors of the economy which registered respective growth as follows; Service sector – 9.3%, industry – 8.1%, and agriculture – 5.1%.

However, inflation rose to 18.1% by the end of the year and the cedi depreciated by 20.1% and 16.3% against the US dollar and the Euro respectively.



HONOURABLE FREDDIE BLAY
CHAIRMAN

Your company like others in the industry was adversely affected by these developments in the economy.

Operating Results & Financial Performance

Dear shareholders, your company was resilient despite the challenges of the year, is well grounded, on the move and ready to create more wealth for you the shareholders.

Your company was able to hold it own, despite the challenges and made a pre-tax profit of GH¢5.496 million against GH¢5.333 million in year 2007, a gain of 3%.

The profit after tax was GH¢4.257 in 2008 against GH¢4.021 in 2007 resulting in earning per share of GH¢0.020 up from GH¢0.19 in 2007.

Financial Contributions to the Government

The company paid Customs Duties and other levies to the tune of GH¢65.66 million to the Government as against GH¢66.8 million in 2007.

A corporate tax of GH¢1.12 million was also paid. The total contribution to Value Added Tax and the National Health Insurance was GH¢0.339 million.

Performance on the Ghana Stock Exchange

Year 2008 marked the first full year of operation of GOIL as a listed company. Despite a general slowdown on the stock market, our share price stabilized at 30 GHp for most part of the year.

Dividend

The proposed dividend of GH¢0.007 per share for year 2007 was approved and paid in November 2008. The total amount involved was GH¢1.471million. For year 2008, we propose GH¢0.0085 per share amounting to GH¢1.786 million, an increase of 21% over 2007.

Future Prospects

The developments in the upstream sector of the industry continue to generate interest both within and outside the confines of the industry. Your company has already started providing services to some of the companies involved in the upstream activities offshore in the Western Region. It has commenced construction of facilities in Takoradi to store and supply aviation fuel in Takoradi, a development which will enhance the business of the company and enable your company to become a player in the aviation fuel supply business for the first time in the history of the company.

Other opportunities in the upstream sector and in the aviation fuel supply business are being explored.

Amendment of the Company's Regulations

On the 14th November, 2008 the Securities Depository Company Limited, a subsidiary of the Ghana Stock Exchange began operations with the voluntary deposit by investors of share certificates for immobilization. This was in accordance with Section 12(2) of the Central Securities Depository Act 2007 (Act 733) and is only the first of various step by the Ghana Stock Exchange in its quest to make the transition from the use of paper share certificates to electronic book entry securities.

Sections 12(1)(a) and (b) of the Act also provide as follows;

S.12(1) An issuer of Securities to the public may

- a) Issue a security in uncertified or dematerialized form where it is authorized in its regulations and by a resolution of its Board of Directors;
- b) Convert a certified security into an uncertified security where it is authorized in its regulations and by a resolution of its Board of Directors.

In pursuance of this the Council of the Ghana Stock Exchange has decided as follows:

- (i) All listed companies are to amend their company regulations at their next Annual General Meeting in 2009 to allow for the issue of and/or conversion to dematerialized securities.
- (ii) That with effect from January 2009, all new or additional securities being listed should be electronic securities that have been admitted into the Ghana Stock Exchange Securities Depository.

The Board wishes to note that the amendment of the Company's Regulations in compliance with the Exchange's request will amongst others;

- i) Enhance the rate at which securities are placed in the depository;
- (ii) Make for more efficient and less cumbersome keeping of share holding records; and
- (iii) Ultimately improve liquidity in the capital market.

The Board therefore strongly recommends that shareholders support the proposed resolutions and thereafter contract a registered stockbroker with their certificates and have their certificates placed in the GSE Securities Depository.

Conclusion

The Board of Directors, Management and staff of the company wish to extend their gratitude to you shareholders and other stakeholders for supporting GOIL over the years. We hope your wonderful support and trust will be forthcoming in the ensuing years to enable all challenges to be surmounted for more positive results.

Appreciation

On my behalf and on behalf of those members of the Board who are retiring from the Board with effect from today, I wish to thank you for the opportunity you gave us to steer the affairs of the company at the highest level which has been most challenging and exciting. We do hope that you will extend the same cooperation you gave us to the incoming members of the Board to enable them take the company to even greater heights. We do also hope that the cooperation that has existed between Management, the Staff and the Board will continue in the ensuing years.

Finally, I wish to thank you, my colleagues on the Board for your support and guidance. I wish also to thank the management and staff for the dedication to work and for their hard work during the year. Again, I look forward to your support for the new Board in the years ahead.

Thank you.

The Managing Director's Report

Introduction

Permit me, ladies and gentlemen, to present my report on the performance of your company for the year ended December 31, 2008 and to enunciate on the future prospects of the company.

Industry Review

During the year under review, the high price of crude oil culminated into high ex-pump prices in Ghana. For the first time in the history of the industry, crude oil prices went up to an all time high of \$ 147 per barrel. The price finally settled at \$ 60 per barrel by the end of the year.

Margins remained fixed in cedis per litre at the same level since May 2006 until late November when there was a slight review of 10.6%. Thus, throughout the year, whereas there was a general perception that OMCs were reaping windfall from the ex-pump price increases, the opposite was the reality as more working capital had to be sourced at higher borrowing costs to meet the rising cost of doing business. It should be reiterated that since OMC margins are fixed in Ghana pesewas per litre, upward increases in ex-pump prices are not favourable.

The number of Oil Marketing Companies continued to increase with the year closing with 60 registered OMCs and LPGMC's. This obviously has turned the level of competition several notches high. In spite of the growing competition, we managed to maintain 19% market share.

It was in this environment that your company operated. However, your company continued to be resilient, sticking to its market share and relied on mostly cost cutting, where possible, in order to mitigate the challenges and remained profitable.

Highlights of Performance

During the year the company marketed about 346,000 metric tons of products as against 317,000 metric tons in year 2007. Twelve (12) stations commenced business during the year and the introduction of the differentiated diesel branded Diesel XP as a complement to the differentiated gasoline on the Ghanaian market branded G-Plus Gasoline among others accounted for this.

The sales turnover was GH¢438.86 million as against GH¢306.49 million for 2007. This represented an increase of 43.19% mainly due to the higher ex-pump prices for the products. The Gross margin for the year was GH¢21.8 million compared to GH¢18.2 million in 2007 – an increase of 19.8%. Selling and General Administrative expenses moved from GH¢14.8 million in 2007 to GH¢18.5 in 2008, which was mainly due to a huge exchange loss of about GH¢1.5 million during the year, expenses on re-branding of the stations and re-positioning of the company and expenses on the introduction of new products. The exchange loss was on the outstanding portion of the IDA loan.

The profit after tax moved up from just about GH¢4 million in 2007 to GH¢4.26 million, an increase of 6.0%.

Review of Marketing & Operations

It is recalled that in 2007, the company introduced the differentiated high octane gasoline with the brand name G-Plus onto the market. In 2008 the company introduced another high quality product branded GOIL Diesel XP (XP connoting Xpress).

The company continues to make strides in the bunkering business. The implementation of a strategy to position GOIL in the international bunker business and as a major player in this regard, was put in place. As the activities of the upstream sector evolve, a number of other activities are being pursued with the view to continue to tap into the opportunities that the oil find is offering.

The long awaited dream to become a player in the Aviation sub-sector has not been abandoned despite the winding and undulating route to attainment of the dream, which we believe will be realized soon.



Mr. Yaw Agyemang-Duah
Managing Director

For the continuous enhancement of customer loyalty, we have introduced the GOIL Advantage Card (a debit electronic card) for customers to use to buy products at our stations. The card which is web-based can be used at the company's stations in the ten regions of the country with terminals provided.

During the year under review, rehabilitation of twelve stations and the construction of new stations portraying the new image of GOIL were completed. The company ended the year with 156 active stations.

Finance

The trend of frequent increases in the ex-pump prices which began in 2007 continued well into 2008. The year also witnessed a sharp increase in the transaction costs as well as interest rates of all banks as a direct result of the inflationary pressures and the increases in the Bank of Ghana prime rate.

These developments resulted in a general increase in the cost of working capital for the company, also long term investible funds became expensive.

To mitigate the impact of exchange losses on the company's account, a decision has been taken to pay off the IDA loan on-lent by the Government which is denominated in US dollars starting from 2009.

Human Resource Development, Health, Safety & Environmental Issues

During the year under review training and development of the staff continued. Training in specific areas of the business such as bunkering, international trading of crude oil and petroleum products, aviation fuel etc. both locally and outside the shores of Ghana was done.

The welfare of staff continued to play a central role as we believe that a well motivated workforce is paramount in overcoming the company's challenges.

The health, safety, security and environment department has been strengthened and vigilance in this area is the watch word here taking into account the type of industry we operate in.

Prospects

GOIL continues to play its role in Ghana's economy as the leading, indigenous and independent oil marketing company.

The competition being offered by the other oil marketing companies has rather rejuvenated and placed GOIL in a pole position. With the right mix of resources the sky will be the limit as the economy continues to expand and the company begins to attract international recognition due to activities upstream.

Conclusion

In 2009, some service stations will be added to the stock. The company's participation in the aviation fuel business is likely to materialize in 2009. These coupled with increased bunkering business relating to the exploration activities being undertaken by the Upstream companies will provide improvement in the company's business and offer a brighter future.

Appreciation

I wish to express my appreciation to you the shareholders, the loyal customers of GOIL, the suppliers, business partners and other stakeholders for their immense contributions to the development of the company during the challenging year under review. Further, I wish to thank the management and staff for their dedication to work during the year. I look forward to your continued support in the year ahead.

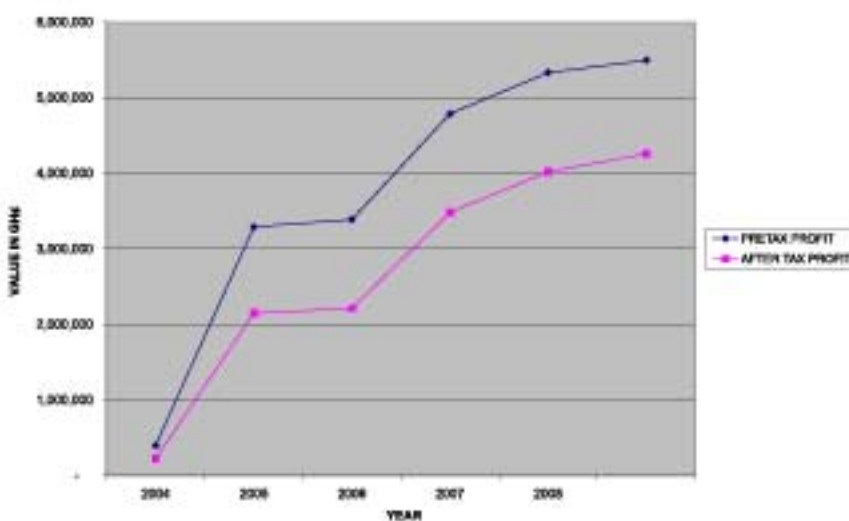
Finally, I wish to thank the outgoing members of the Board for their support, guidance and cooperation. I also welcome the new members of the Board and ask for their cooperation and support for the continued growth and success of the company.



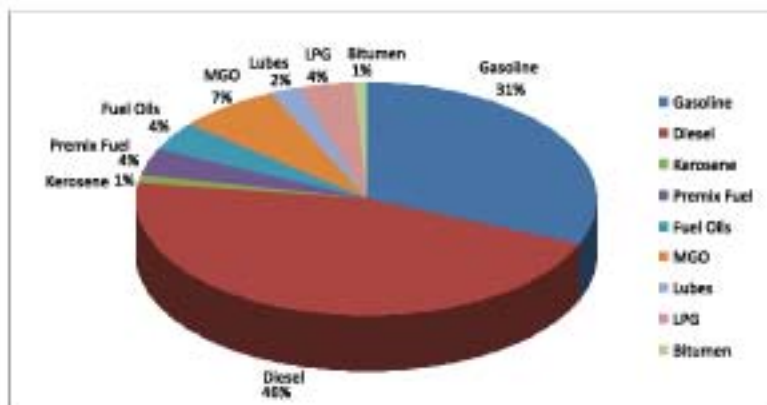
Officials surveying site for new aviation fuel tanks at Takoradi Air Force Base

Performance at a Glance (2008)

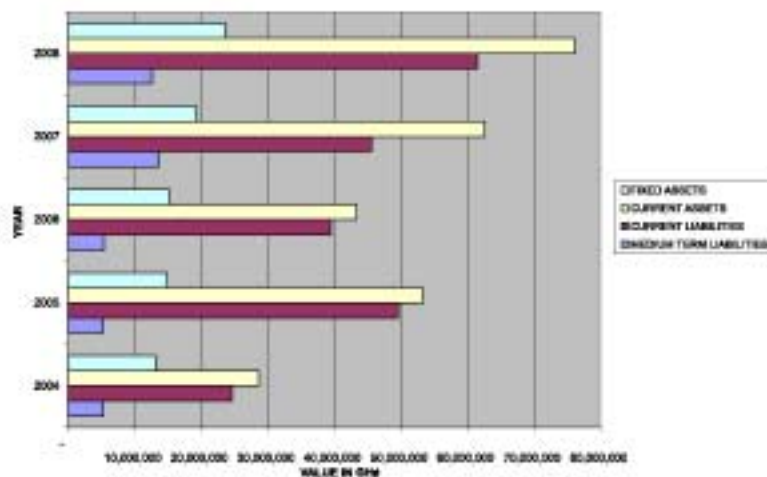
TREND OF PROFIT



CONTRIBUTION BY PRODUCT



MAJOR ASSETS & LIABILITIES



Five Year Financial Review (2004-2008)

	2008 GH¢	2007 (restated) GH¢	2006 GH¢	2005 GH¢	2004 GH¢
PROFIT AND LOSS ACCOUNT					
Gross Sales	438,883,981	308,482,356	256,485,990	203,943,905	158,455,500
Customs Duties and Levies	(85,661,774)	(88,831,552)	(84,326,390)	(85,864,705)	(58,639,800)
Net Sales	373,202,187	239,660,804	192,159,600	138,079,200	98,815,700
Sundry Income	2,140,933	1,929,042	788,000	525,900	1,686,100
Total Income	375,343,120	241,589,846	192,927,600	138,605,100	100,481,800
Operating Expenses	(366,989,867)	(233,770,301)	(187,968,790)	(135,180,300)	(96,781,900)
Exceptional (Charges) / Credits	(2,876,671)	(2,488,862)	(188,690)	(35,900)	(406,950)
Profit before Tax	5,496,582	5,332,683	4,789,300	3,388,900	3,293,000
Taxation	(1,239,905)	(1,311,195)	(1,307,400)	(1,174,500)	(1,144,500)
Net Profit After Tax	4,256,677	4,021,488	3,481,900	2,214,400	2,148,500
INCOME SURPLUS ACCOUNT					
Balance at 1 January	6,250,245	3,076,583	2,656,590	1,242,000	182,390
Prior year adjustment / Transfers	(127,709)	(171,600)	(1,454,400)	307,709	-
Net Profit after Tax	4,256,677	4,021,488	3,481,900	2,214,400	2,148,500
Dividend	(1,471,491)	(676,828)	(1,630,590)	(1,107,600)	(1,098,800)
Balance at 31 December	8,907,731	6,250,245	3,053,590	2,656,590	1,242,000
BALANCE SHEET					
ASSETS					
Non Current Assets	22,224,317	18,098,573	14,574,200	14,344,700	12,945,200
Available for Sale Financial Instruments / Investments	1,407,234	1,196,334	647,300	647,300	233,390
Stocks	7,470,026	6,282,661	4,128,100	3,696,100	3,655,100
Accounts Receivable	60,448,227	47,821,466	36,133,590	41,913,600	18,980,800
Short Term Investment	1,063,012	1,355,545	1,230,690	1,085,000	1,053,790
Cash and Bank Balances	7,123,639	7,152,589	1,907,100	6,563,600	4,994,100
Total Assets	99,756,446	81,907,142	58,620,800	68,269,700	41,862,200
LIABILITIES					
Medium Term Loan	12,611,541	13,681,541	5,434,590	5,357,600	5,325,400
Short Term Loan	3,241,097	2,671,080	5,182,300	-	-
Bank Overdrafts	4,392,799	7,986,141	6,598,690	11,797,500	6,916,600
Accounts Payable	63,462,474	34,769,072	25,639,100	38,517,900	17,467,800
Dividends	-	-	-	-	397,790
Deferred Tax	(65,542,00)	206,571	336,488.00	-	-
Taxation	479,624	83,370	(142,700)	(738,100)	(75,490)
Total Liabilities	74,111,993	59,258,775	44,889,200	54,935,100	29,942,100
SHAREHOLDERS' FUNDS					
Stated Capital	11,809,263	11,809,263	6,759,300	6,759,300	6,759,300
Income Surplus	8,907,731	6,250,245	3,053,590	2,656,590	1,242,000
Capital Surplus	4,666,799	4,465,859	3,906,800	3,906,800	3,906,800
Building Fund	360,700	133,000	12,000	12,000	12,000
Total	25,644,453	22,648,367	13,731,690	13,334,690	11,920,100
Total Liabilities & Shareholders' funds	99,756,446	81,907,142	58,620,800	68,269,700	41,862,200

Corporate Social Responsibility

GOIL, being a socially responsible Company, realizes the importance of giving back to society by way of assisting different areas of our community in diverse ways. In that regard, GOIL has continually strived to give support to worthwhile causes. During the course of 2008, the following areas received support from the Company:

SPORTS: This is an area in which received donations to the tune of GH¢38,100, for the following causes:

- ✦ Golf: (i) **Ghana Golf Association** – We continue to be the Title sponsor for the Seniors' Open Tournament, a program GOIL has sponsored since 2002. We also supported (ii) the **Tema Country Golf Club** where our donation went to support the President's Putter event, and supported (iii) the **Classic Golf** tournament of the Bok Nam Kim (Air Force Mess) Club.
- ✦ Ghana Olympic Committee – we supported the preparation of Ghana's team to the Beijing Games,
- ✦ Ghana Athletics Association – they received a sponsorship package to help run their programmed 2008 activities,
- ✦ Ghana Table Tennis Association – we supported them with funding for their 2008 events,



An address at the awards ceremony of the 2008 Goil Seniors Open Golf tournament held at Bok Kim Club (Air Force Mess).

SOCIAL ACTIVITIES & INDUSTRY SUPPORT: Our support here was to several social institutions in cash and kind. We also supported some public spirited associations and industry groupings. Donations for these purposes amounted to GH¢42,700.



The Administrative Manager, Mr. J.B.A. Ansah donating items and cash to the Bawjiase Orphanage.

- ✦ The Ghana National Trust Fund received a cash donation, whilst the Bawjiase Orphanage, Dzorwulu Special School, and Weija Leprosarium received both cash as well as food, toiletries, and clothing.
- ✦ Ghana Institution of Engineers were granted sponsorship for their Engineering Week celebration; (ii) **the Institute of Financial & Economic Journalists** were given sponsorship for the Oil & Gas Workshop; (iii) **the Association of Ghana Industries** were given sponsorship for the 48th Annual General Meeting; and the (iv) **Chartered Institute of Marketing- Ghana** were also given some sponsorship during 2007 Awards.

Awards & Promotions

◀ CIMG Award:

Your Company during the course of the year, was the proud recipient **Ghana Chartered Institute of Marketing (CIMG) 2007 Petroleum Company of the Year Award**. This we believe was fair recognition of the fruits of our collective efforts during that year.



The Fuels Marketing Manager, Mr. C. K. Darko receiving the CIMG 2007 Award for "Petroleum Company of the year".

◀ Customer Loyalty Reward Promotion:



The Board Chairman, Hon. F. Blay delivering an address at the draw of the 'Hye No Ma' promotion in June 2008.

GOIL believes in giving back to society, especially its loyal customers. The **GOIL Hye No Ma Loyalty Reward Promotion** which ran for six months (January to June 2008), was aimed at rewarding our loyal customers as well as attract potential ones to our outlets nationwide. Attractive prizes ranging from brand new cars, flat screen TV sets, and company products amongst



Line-up of major prizes of 'Hye No Ma' promotion.

Corporate Governance

1.0 DIRECTORATE

The company was governed by nine- member Board of Directors during the 2008 financial year. Eight of the Board members were non-executive in addition to the Managing Director.

The Board of Directors conducted regular meetings and extraordinary meetings to consider corporate issues requiring approvals and specific decisions, especially matters relating to the listing of the company on the stock exchange.

The Board was assisted by the under mentioned Committees, which met in between Boards to deliberate on various aspect of business matters.

1.1 Apex Committee

This committee composed of the Chairman, The Managing Director and one other member of the Board, met to take various decisions for ratifications by the full Board.

1.2 Finance, Audit and Remuneration Committee

The Finance, Audit and Remuneration Committee met on a number of times to review and ensure that the financial and operational control system were working effectively as well as previewed and deliberated on budgets, audited financial statements and dividend recommendations of the Management.

1.3 Operational and Marketing Committees

The Committee assisted Management to consider policies on marketing and operations strategies of the company to stay on top of competition.

2.0 GENERAL INTERNAL CONTROL

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

The function of the department include review of the reliability and integrity of the financial and operating reports as well as to ensure compliance with approved company policies, plans, procedures and regulations. The department undertakes pre and post audits and also review systems of safeguarding assets, verifies the existence of such assets and carries out value for money audits before and after expenditure transactions.

The Finance and Audit Sub-Committee of the Board has direct access to Internal Audit files and reports, which are regularly reviewed.

3.0 PERFORMANCE MONITORING & EVALUATION

There is a monthly performance review process during which actual corporate performance, especially in the areas of marketing, operations and finance, is compared with budgets and targets. Regarding marketing performance, the corporate actual results are compared also to industrial competition. The reports of such reviews are considered by the full Board and or its sub committees.

Report of the Directors

on the Financial Statements for the year ended 31st December, 2008

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, 2008

RESULTS OF OPERATIONS

	2008 GH¢	2007 GH¢
Gross Sales	438,863,961	306,492,356
Customs Duties and Levies	(65,661,774)	(66,831,552)
Net Sales	<u>373,202,187</u>	<u>239,660,804</u>
Profit for the year	5,496,582	5,332,683
from which is deducted; provision for estimated income tax of	(1,239,905)	(1,311,195)
leaving a net profit of	4,256,677	4,021,488
to which is added the income surplus brought forward from the previous year of	<u>6,250,245</u>	<u>3,076,583</u>
	<u>10,506,922</u>	<u>7,098,071</u>
Less:		
final dividend paid; for 2007 at GH¢0.02 per share (2006 at GH¢0.01 per share)	(1,471,491)	(676,826)
transfer to building fund	(127,700)	(121,000)
transfer to stated capital	0	(50,000)
	<u>8,9075,731</u>	<u>6,250,245</u>

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

DIRECTORS

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

Name		Date		Date retired
		of appointment		
Hon. Freddie W. Blay	Chairman	Re-elected	16.08.08	-
Mr. Gottfried Martin Sarpong	Member	Re-elected	16.08.08	-
Dr. A. K. Oforu-Ahenkorah	Member	Re-elected	16.08.08	-
Dr. Alhassan Emil Abdulai	Member	Re-elected	16.08.08	-
Dr. Francis A. Poku	Member	Re-elected	16.08.08	-
Mr. Richard Adu-Poku	Member	Appointed	16.10.08	-
Mr. Kofi Asamoah	Member	Appointed	16.10.08	-
Mr. Thomas K. Manu	Member	Appointed	16.10.08	-
Mr. Yaw Agyemang-Duah	Managing	Re-elected	16.10.08	-
Mr. Gabby Nsiah Nketiah	Member	Retired	-	16.10.08
Mr. Fred Antoh	Member	Retired	-	16.10.08
Mrs. Cecilia G. Amoah	Member	Retired	-	16.10.08


DIVIDEND

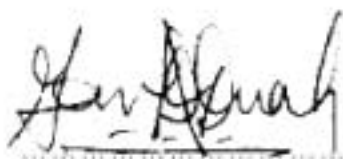
Final dividend of GH¢0.007 per share amounting to GH¢1,471,304 was paid during the year.

A final dividend of GH¢0.0085 per share amounting to GH¢1,786,583.04 has been proposed for the year ended 31 December, 2008 (2007: GH¢0.007 per share amounting to GH¢1,471,304).

EVENTS AFTER THE BALANCE SHEET DATE

The Directors confirm that no matters have arisen since December 31, 2008, which materially affect the financial statements of the company for the year ended on that date.

.....Director

.....Director

ACCRA |

11th June, 2009

Independent Auditor's Report

to the members of Ghana Oil Company Limited on the Financial Statements for the year ended 31st December, 2008



Accountants &
business advisers

Report on the Financial Statements

We have audited the accompanying financial statements of Ghana Oil Company Limited which comprise the balance sheet as of December 31, 2008, and the income statement, statement of changes in equity and cash flow statement 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, 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Ghana 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 Ghana 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 balance sheet and profit and loss account of the Company are in agreement with the books of accounts.



**PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS**

**FARRAR AVENUE
ACCRA
11th June, 2009**

Income Statement

for the year ended 31st December, 2008

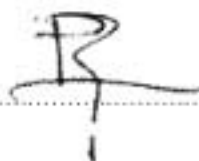
	Notes	2008 GH¢	2007 GH¢
GROSS SALES		438,863,961	306,492,356
Customs Duties and Levies		(65,661,774)	(66,831,552)
NET SALES		<u>373,202,187</u>	<u>239,660,804</u>
COST OF SALES		(351,377,223)	(221,427,819)
GROSS PROFIT		<u>21,824,964</u>	<u>18,232,985</u>
OPERATING EXPENSES			
Depot and Station Expenses	2a.	(4,276,509)	(3,454,788)
Selling & Administrative Expenses	2b.	(14,192,806)	(11,374,556)
TOTAL OPERATING EXPENSES		<u>(18,469,315)</u>	<u>(14,829,344)</u>
OPERATING PROFIT		3,355,649	3,403,641
Sundry Income	3	2,140,933	1,929,042
NET PROFIT BEFORE TAXATION		<u>5,496,582</u>	<u>5,332,683</u>
Taxation	4	(1,239,905)	(1,311,195)
NET PROFIT AFTER TAXATION ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>4,256,677</u>	<u>4,021,488</u>
Earning per share	23	GH¢0.020	GH¢0.019
Dividend per share	23	GH¢0.0085	GH¢0.007

Balance Sheet

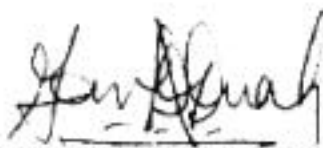
for the year ended 31st December, 2008

	Notes	2008 GH¢	2007 GH¢
NON CURRENT ASSETS			
Property, Plant and Equipment	7	22,224,317	18,098,573
Available for Sale Financial Instruments	8	1,407,234	1,196,334
		<u>23,631,551</u>	<u>19,294,907</u>
CURRENT ASSETS			
Stocks	9	7,470,026	6,282,661
Accounts Receivable	10	60,448,227	47,821,460
Short Term Investment	11	1,083,012	1,355,545
Cash and Bank Balances	12	7,123,630	7,152,569
		<u>76,124,895</u>	<u>62,612,235</u>
CURRENT LIABILITIES			
Bank Overdraft	13	4,392,799	7,986,141
Accounts Payable	14	53,452,474	34,750,072
Short Term Loan	15	3,241,097	2,571,080
Deferred Tax	6b	(65,542)	206,571
Current Tax	6a	479,624	83,370
		<u>61,500,452</u>	<u>45,597,234</u>
NET CURRENT ASSETS		<u>14,624,443</u>	<u>17,015,001</u>
		<u>38,255,994</u>	<u>36,309,908</u>
NON-CURRENT LIABILITY			
Term Loan	15	(12,611,541)	(13,661,541)
NET ASSETS		<u>25,644,453</u>	<u>22,648,367</u>
REPRESENTED BY:			
Stated Capital	16	11,809,263	11,809,263
Building Fund	17	260,700	133,000
Income Surplus	18	8,907,731	6,250,245
Capital Surplus	19	4,666,759	4,455,859
		<u>25,644,453</u>	<u>22,648,367</u>

Approved by the Board on 11th June, 2009.



Director



Director

Statement of Changes in Equity

for the year ended 31st December, 2008

2008	Stated Capital GH¢	Building Fund GH¢	Income Surplus GH¢	Capital Surplus GH¢	Totals GH¢
Balance at 1 January	11,809,263	133,000	6,250,245	4,455,859	22,648,367
Net profit for the year	0	0	4,256,677	0	4,256,677
Transfer to Stated Capital	0	0	0	0	0
Transfer to Building Fund	0	127,700	(127,700)	0	0
Revaluation Gain on Available for Sale Investments	0	0	0	210,900	210,900
Dividend paid	0	0	(1,471,491)	0	(1,471,491)
Capitalisation issuance	0	0	0	0	0
Balance at 31 December	11,809,263	260,700	8,907,731	4,666,759	25,644,453
2007					
Balance at 1 January	6,759,263	12,000	3,053,556	3,906,785	13,731,604
Net IFRS Adjustments	0	0	23,027	540,274	563,301
Restated Balance at 1 January	6,759,263	12,000	3,076,583	4,447,059	14,294,905
Net profit for the year	0	0	4,021,488	0	4,021,488
Transfer to Stated Capital	50,000	0	(50,000)	0	0
Transfer to Building Fund	0	121,000	(121,000)	0	0
Revaluation Gain on Available for Sale Investments	0	0	0	8,800	8,800
Dividend paid	0	0	(676,826)	0	(676,826)
Capitalisation issue	5,000,000	0	0	0	5,000,000
Balance at 31 December	11,809,263	133,000	6,250,245	4,455,859	22,648,367

Cash Flow Statement

for the year ended 31st December, 2008

	2008 GH¢	2007 GH¢
Cash flow from operating activities		
Operating Profit	5,496,582	5,332,683
Adjustment for:		
Depreciation Charges	2,279,090	2,013,139
Profit on sale of tangible fixed assets	(178,750)	(37,508)
Interest and Dividend Received	(255,922)	(391,542)
Interest Paid	2,876,671	2,486,862
	<u>4,721,089</u>	<u>4,070,951</u>
Operating Profit Before Working Capital Changes	10,217,671	9,403,634
Increase in Stocks	(1,187,365)	(2,154,583)
Increase in Debtors	(12,626,719)	(11,687,934)
Increase in Creditors	18,702,402	9,210,930
	<u>15,105,989</u>	<u>4,772,047</u>
Cash generated from operations	15,105,989	4,772,047
Company Tax Paid	(1,115,764)	(1,215,043)
	<u>(1,115,764)</u>	<u>(1,215,043)</u>
Net Cash Inflow from Operating activities	<u>13,990,225</u>	<u>3,557,004</u>
Cash flows from Investing activities		
Interest and Dividend Received	255,922	391,542
Interest paid	(2,876,671)	(2,486,862)
Acquisition of Tangible Fixed Assets	(6,432,199)	(5,539,500)
Receipt from sale of Tangible Fixed Assets	206,067	39,642
	<u>(8,846,881)</u>	<u>(7,595,178)</u>
Net Cash Outflow Before Financing	<u>5,143,344</u>	<u>(4,038,174)</u>
Cash flows from Financing Activities		
Term Loan Paid	(2,289,061)	(5,000,000)
Medium Term Loan	1,909,078	10,658,857
Increase in Stated Capital	0	5,000,000
Dividend paid	(1,471,491)	(676,826)
	<u>(1,851,474)</u>	<u>9,982,031</u>
Net Increase in Cash and Cash Equivalents	<u>3,291,870</u>	<u>5,943,857</u>
Cash and Cash Equivalents at 1 January	<u>521,973</u>	<u>(5,421,884)</u>
Cash and Cash Equivalents at 31 December	<u>3,813,843</u>	<u>521,973</u>
Cash and Cash Equivalents		
Cash at Bank and in Hand	7,123,630	7,152,569
Short Term Investment	1,083,012	1,355,545
Bank Overdraft	(4,392,799)	(7,986,141)
	<u>3,813,843</u>	<u>521,973</u>

Notes to the Financial Statement

for the year ended 31st December, 2008

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Corporate Information

Ghana Oil Company Limited, a public company limited by shares, was incorporated and domicile in Ghana under the Companies 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).

The Company has applied the rules for first-time adoption of IFRS as set out in IFRS 1, First-time Adoption of International Financial Reporting Standards. IFRS 1 requires the use of the same accounting policies in the IFRS transition date balance sheet and for all periods presented thereafter. These policies must comply with all IFRS effective at the reporting date for the first financial reporting under IFRS.

In general, for the first-time adoption, of IFRS, the standards are applied retrospectively. However, IFRS 1 permits a number of optional exemptions as well as prohibiting retrospective application of other IFRS.

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.

The principal effects of changing from Ghana National Accounting Standards to IFRS, including reconciliations between the IFRS and Ghana National Accounting Standards financial information are set out in note 25 to these financial statements.

The financial statements for the year ending 31 December 2008, including restated comparative information for the year ended 31 December 2007 together constitute the first financial statements prepared in conformity with the IFRS.

d. Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRS 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.

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

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 (IFRS) are set out below. The Company has applied these policies in preparing:

- its opening IFRS balance sheet as at 1 January 2007, the date of transition to IFRS; and
- its IFRS balance sheet as at 31 December 2007 and income statement, statement of changes in equity and cash flow statement for the year then ended, which has been presented as comparative information in the Company's first IFRS financial statements.

i. Changes in Accounting Policies: First-time Adoption of IFRS

Prior to the adoption of IFRS, the financial statements of Ghana Oil Company Limited had been prepared in accordance with Ghana National Accounting Standards. Ghana National Accounting Standards differs in certain respect from IFRS. In view of this, certain accounting methods, measurements, recognitions, presentations and disclosures have been amended, when preparing these financial statements, to comply with IFRS. The comparative figures in respect of 31 December 2007 have been restated to reflect these amendments. Reconciliation and description of the effect of the transition from Ghana National Accounting Standards to IFRS on the reported financial position, financial performance and cash flows of the Company is set out in note 25.

ii. 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.

iii. 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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

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

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

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

o Held for trading

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

o Designated at fair value through profit or loss

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

Loans and Receivables

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

Available-for-sale Financial Assets

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

Held-to-maturity Investments

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

Initial Recognition of Financial Assets and Financial Liabilities

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

Derecognition of Financial Assets and Financial Liabilities

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

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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

Initial Measurement of Financial Assets and Financial Liabilities

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

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

Subsequent Measurement of Financial Assets

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

Subsequent Measurement of Financial Liabilities

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

Gains and Losses

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

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

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

Amortised Cost Measurement

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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

Fair Value Measurement

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

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

Offsetting

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

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

Measurement of Impairment and Provision for Credit Losses

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

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

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

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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

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

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

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

Provision for credit losses is based on the following principles:

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

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

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

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

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

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

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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

iv. 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.

v. 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.

vi. 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%

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.

vii. 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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

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.

viii. Cash and Cash Equivalents

For the purposes of cash flow statements, 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.

ix. Leases

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

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

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

x. 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.

xi. 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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

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.

xii. 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.

xiii. 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 balance sheet date are dealt with in the subsequent events notes.

Interim dividends are recognised when paid.

xiv. 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.

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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

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 Balance Sheet date

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

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

xix. Earnings per share

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

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

2.a DIRECT, DEPOT AND STATION EXPENSES

Includes depreciation -GH¢1,987,047 (2007 - GH¢1,619,450)

b. SELLING AND ADMINISTRATIVE EXPENSES

	2008 GH¢	2007 GH¢
Depreciation	292,043	393,689
Directors' Fees & Expenses	282,762	220,251
Auditors' Remuneration	40,000	34,000
Donations	57,411	75,980
	=====	=====
3. SUNDRY INCOME		
Throughput Income	463,841	519,188
Exchange Gain	261,457	54,666
Contractors Registration	5,450	1,560
Miscellaneous Income	254,676	399,324
Interest and Dividend Received	255,922	391,542
Various Rent	488,808	430,333
Sale of Materials	5,389	33,017
Discounts Received	72,303	0
Penalties on Customers Dishonored Cheques	154,337	61,904
Profit on Sale of Fixed Assets	178,750	37,508
	-----	-----
	2,140,933	1,929,042
	=====	=====
4. TAXATION		
Current Tax	1,512,018	1,441,124
Deferred Tax	(272,113)	(129,929)
	-----	-----
	1,239,905	1,311,195
	=====	=====
5. RECONCILIATION OF EFFECTIVE TAX		
Profit before tax	5,496,582	5,332,683
	-----	-----
Tax at applicable tax rate at 22%	1,209,248	1,173,190
Tax effect of IFRS adjustments [Note 25]	0	5,066
Tax effect of non-deductible expenses	882,983	599,067
Tax effect of non-chargeable income	(151,487)	(20,278)
Tax effect of capital allowances	(428,727)	(315,921)
Origination/(reversal) of temporary differences	(272,113)	(129,929)
	-----	-----
	1,239,905	1,311,195
	=====	=====
Effective tax rate	23%	25%

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

			2008 GH¢	2007 GH¢
6a. CURRENT TAX				
	Balance at 1 January	Tax Paid/ Refund	Charge/Credit to P&L	Balance at 31 December
	GH¢	GH¢	GH¢	GH¢
Income Tax				
1992 - 2005	(397,800)	0	0	(397,800)
2006	131,189	0	0	131,189
2007	226,081	0	0	226,081
2008	0	(1,115,764)	1,512,018	396,254
Sub Total	(40,530)	(1,115,764)	1,512,018	355,724
Rent Tax				
2001-2005	32,600	0	0	32,600
2006	0	0	0	0
2007	0	0	0	0
Sub Total	32,600	0	0	32,600
Capital Gains Tax				
1994-2005	91,300	0	0	91,300
2006	0	0	0	0
2007	0	0	0	0
Sub Total	91,300	0	0	91,300
Grand Total	83,370	(1,115,764)	1,512,018	479,624

The amount provided for Income Tax is calculated at the rate of 22% of the Adjusted Profit and is subject to agreement with Internal Revenue Service.

6b. DEFERRED TAXATION

Balance at 1 January	206,571	336,500
Charge to P & L for the year	(272,113)	(129,929)
Balance at 31 December	(65,542)	206,571

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 22% (2007 - 22%).

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

7. PROPERTY, PLANT AND EQUIPMENT

	F'HOLD BUILDINGS GH¢	L'SEHOLD LAND & BUILDINGS GH¢	PLANT MACH. & EQUIP. GH¢	MOTOR VEHICLES GH¢	FURN. & EQUIP. GH¢	CAPITAL WORK IN PROGRESS GH¢	TOTAL GH¢
COST / VALUATION							
Balance at 01.01.08	13,004	10,448,151	15,283,503	2,200,223	1,118,723	4,963,411	34,027,015
Additions during the year	0	105,180	1,434,260	0	126,627	4,766,132	6,432,199
Transfers during the year	0	4,798,366	111,203	0	0	(4,909,569)	0
Disposals during the year	0	(36,771)	0	(135,683)	0	0	(172,454)
Balance at 31.12.08	13,004	15,314,926	16,828,966	2,064,540	1,245,350	4,819,974	40,286,760
DEPRECIATION							
Balance at 01.01.08	4,818	1,468,111	12,275,328	1,589,870	590,315	0	15,928,442
Charges during the year	260	381,954	1,604,833	187,857	104,186	0	2,279,090
Disposal during the year	0	(36,771)	0	(108,318)	0	0	(145,089)
Balance at 31.12.08	5,078	1,813,294	13,880,161	1,669,409	694,501	0	18,062,443
Net Book Bal at 31.12.08	7,926	13,501,632	2,948,805	395,131	550,849	4,819,974	22,224,317
Net Book Bal at 31.12.07	8,186	8,980,040	3,008,175	610,353	528,408	4,963,411	18,098,573

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 Statement

for the year ended 31st December, 2008 Cont.

	2008 GH¢	2007 GH¢
8. AVAILABLE FOR SALE FINANCIAL INSTRUMENTS		
Ghana Bunkering Services Ltd.	222,278	222,278
Ghana Fertilizer Company	2	2
Total (Ghana) Ltd.	760,000	549,100
Tema Lube Oil Company Ltd.	10,954	10,954
Metro Mass Transit Company Limited	414,000	414,000
	<u>1,407,234</u>	<u>1,196,334</u>
9. STOCKS & GOODS IN TRANSIT		
Trading : Gas Cookers & parts	380,848	305,157
Fuel	33,835	57,711
Lubricants	4,469,340	2,960,931
L.P. Gas	116,783	145,189
	<u>5,000,806</u>	<u>3,468,988</u>
Non Trading : Materials	2,469,220	2,766,174
	<u>7,470,026</u>	<u>6,235,162</u>
Goods in Transit	0	47,499
	<u>7,470,026</u>	<u>6,282,661</u>
10. ACCOUNTS RECEIVABLE		
Trade Receivable	48,393,111	38,624,001
Oil Marketing Companies	70,788	70,788
Other Receivable	11,812,446	7,768,807
Staff Receivable	636,165	703,866
Fixed Coupons	0	1,153,930
Prepayments	367,433	252,784
	<u>61,279,943</u>	<u>48,574,176</u>
Less: Provision for Bad & Doubtful Debts	(831,716)	(752,716)
	<u>60,448,227</u>	<u>47,821,460</u>
The maximum amount owed by the staff did not at one particular time exceed : GH¢703,866 (2007: GH¢703,866)		
11. SHORT TERM INVESTMENT		
This represents Investment in HFC Unit Trust.		
Balance at 1 January	1,355,545	1,230,633
Additions during the year	1,000,000	0
Disinvestment during the year	(1,355,545)	0
Add ; Interest Earned during the year	83,012	124,912
	<u>1,083,012</u>	<u>1,355,545</u>
12. CASH AND BANK BALANCES		
Current Account	7,094,335	7,122,418
Cash in Hand	29,295	30,151
	<u>7,123,630</u>	<u>7,152,569</u>

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

13. BANK OVERDRAFT

	2008 GH¢	2007 GH¢
Ghana Commercial Bank Limited	179	1,742,397
First Atlantic Merchant Bank Limited	47,665	17,863
Barclays Bank Ghana Limited	8	581,753
Standard Chartered Bank Ghana Limited	3,192,340	2,589,161
Ecobank Limited	849,698	3,054,967
Prudential Bank Ghana Limited	302,909	0
	<u>4,392,799</u>	<u>7,986,141</u>
	=====	=====

Ghana Commercial Bank

The company has an overdraft facility of GH¢5,000,000 with Ghana Commercial Bank to finance the company's working capital (stocks and receivables). Interest rate is at 16% per annum or any other rate to be determined by the Bank from time to time. The facility is secured by a Negative Pledge over the assets of the company estimated at GH¢14,344,700 (NBV December 2006). The facility is to expire on 31 January 2009.

First Atlantic Merchant Bank Limited

The company has an overdraft facility of GH¢1,500,000 with the bank to support working capital requirements. Interest rate is at 22.5% per annum, however a penal rate of 0.5% per annum shall be chargeable when the limit is exceed. The facility is secured by Clean (Negative Pledge) over fixed assets of the company. The facility expires on 31 October 2009.

Barclays Bank Ghana Limited

The company had an overdraft facility of GH¢2,500,000 with Barclays Bank Ghana Limited to finance the company's inventory, receivables and other operational bills. Interest rate was at the BBG Base rate minus a spread of 1.75%. The facility expired on 30 September 2008.

Standard Chartered Bank

The company has an overdraft facility of GH¢4,000,000 with the bank to provide revolving Short term advances to meet operating expenses such as fuel purchases and other operational requirements. The rate of interest is at the bank's base rate minus 3.25% per annum compounded monthly and is to be reviewed periodically in line with trends on the local money market. The facility is secured by Negative Pledge over fixed assets of the company, and is to expire on 30th June, 2009.

Ecobank Ghana Limited

The company has an overdraft facility of GH¢3,000,000 with Ecobank Ghana Limited to finance the company's working capital (inventory and receivables) and the payment of operational bills. Interest rate is at the bank's base rate minus 4%, payable monthly in arrears. The facility expires on 30 June 2009 and is secured by a Clean Negative Pledge over the company's assets.

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

	2008 GH¢	2007 GH¢
14. ACCOUNTS PAYABLE		
Trade Payable	44,669,611	28,491,089
Other Payable	6,361,345	4,942,177
Accruals	2,421,518	1,316,806
	<u>53,452,474</u>	<u>34,750,072</u>
	=====	=====
15. TERM LOAN		
Balance as at 1 January	16,232,621	10,596,791
Interest due for the year	375,744	387,460
Interest paid during the year	(205,728)	0
Exchange Loss	1,533,334	248,370
Additions for the year	0	10,000,000
Loan repayment	(2,083,333)	(5,000,000)
	<u>15,852,638</u>	<u>16,232,621</u>
	=====	=====
LONG TERM PORTION		
Medium Term Loan	5,416,666	8,000,000
Exchange Loss	1,533,334	227,051
Government of Ghana	5,661,541	5,434,490
	<u>12,611,541</u>	<u>13,661,541</u>
	=====	=====
SHORT TERM PORTION		
Balance as at 1 January	2,571,080	5,162,301
Payment during the year	(2,289,061)	(5,000,000)
Interest due for the year on GOG Loan	375,744	387,460
Exchange Loss on GOG Loan	83,334	21,319
Medium Term Loan	2,500,000	2,000,000
	<u>3,241,097</u>	<u>2,571,080</u>
	=====	=====

- a) The Government of Ghana Loan (Goil Subsidiary Loan) is rescheduled and repayable in seven (7) years with four years grace period commencing 2004. Interest is payable on the principal amount at a rate equal to 1.1 times the prevailing interest rate applicable to Bank (IBRD) Loan. Interest is payable semi-annually on May 15 and November 15 in each year.
- b) The Company was granted Medium Term Loans of GH¢5,000,000 each by Barclays Bank and Ghana Commercial Bank in year 2006, to finance the construction of new service stations, rehabilitate existing stations and construct new LP Gas plants. Both facilities are payable over a period of 60 months from date of disbursement with 12 months moratorium on both principal and interest. The interest rate is at Base rate minus 3.25% and 16% respectively for the Banks, and the facilities are secured by Negative Pledge over all assets of the company.

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

	2008	2007
16. STATED CAPITAL		
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.

17. BUILDING FUND

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

	2008 GH¢	2007 GH¢
Balance at 1 January	133,000	12,000
Transfer from Income Surplus	127,700	121,000
Balance at 31 December	260,700	133,000

18. INCOME SURPLUS

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

19. 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 gains arising from the revaluation of available for sale financial assets as a result of the adoption of International Financial Reporting Standards.

20(i) DIVIDEND

	2008 GH¢	2007 GH¢
Final Dividend for 2007 GH¢0.022 per Share (2006 GH¢0.022 per Share)	1,471,491	676,826
Interim Dividend (2007 GH¢0.033 per Share)	0	0
Payments during the year	(1,471,491)	(676,826)
	0	0

Final dividend of **GH¢0.0085** per share amounting to **GH¢1,786,583.04** has been proposed for the year ended 31 December 2008. (2007: GH¢0.007 per share, amounting to GH¢1,471,304)

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

21. TWENTY LARGEST SHAREHOLDERS

	Shareholders	Number of Shares	Percentage Holding (%)
1	GOVERNMENT OF GHANA	107,408,019	51.10
2	SOCIAL SECURITY & NATIONAL INSURANCE TRUST	38,916,529	18.52
3	GOIL EMPLOYEE SHARE OWNERSHIP PLAN	9,259,312	4.41
4	BBGN/BARCLAYS RE AFRICAN ALLIANCE	1,956,238	0.93
5	MR. D. OFORI	1,190,561	0.57
6	STANDARD AFRICA EQUITY FUND EXSA	1,070,561	0.51
7	EDC STOCKBROKERS	816,032	0.39
8	BBGN / BARCLAYS MAURITIUS	600,000	0.29
9	BBGN / BARCLAYS MAURITIUS	576,435	0.27
10	MERBAN INVESTMENT HOLDINGS	508,579	0.24
11	MRS. E. FRIMPOG	485,404	0.23
12	BBGN / ELAC POLICY HOLDERS	426,641	0.20
13	MERBAN STOCKBROKERS LIMITED	413,250	0.20
14	SSNIT STAFF	395,488	0.19
15	SIC LIFE BUSINESS	367,877	0.18
16	DR. R. H. M. NANKA-BRUCE	325,867	0.16
17	DONEWELL LIFE COMPANY LIMITED	320,156	0.15
18	MERBAN STOCKBROKERS LIMITED	284,601	0.14
19	INTERNATIONAL CONSILIUM	272,362	0.13
20	INTERNATIONAL HOLDING UK. LIMITED	272,362	0.13
		<u>165,866,274</u>	<u>78.94</u>
		=====	=====

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

22. SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	11,359	6,424,237	3.0564
1,001 - 5,000	4,228	11,485,785	5.4646
5,001 - 10,000	629	5,467,387	2.6012
10,001 - 50,000	563	12,736,954	6.0598
50,001 - 999,999,999	100	174,071,880	82.8179
	16,879	210,186,240	100.00
	=====	=====	=====

23. DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES
MR. GOTTFRIED MARTIN SARPONG	5,000
DR. A. K. OFOSU-AHENKORAH	29,402
DR. AL-HASSAN EMIL ABDULAI	25,000
MR. GABBY NSIAH NKETIAH	25,000
MRS. CECILIA GYAN AMOAH	5,000
DR. FRANCIS APPIAGYEI POKU	1,000
MR. YAW AGYEMANG-DUAH	5,000
	95,402
	=====

24. NUMBER OF SHARES IN ISSUE

Earning, Dividend per share are based on 210,186,240, (2007; 210,186,240)

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

25. TRANSITION TO IFRS

Ghana Oil Company Limited has reported under Ghana GAAP in its previous published financial statements for the year ended 31 December 2007. The analysis below shows a reconciliation of profit and net assets as reported under Ghana GAAP as at 31 December 2007 to the revised profit and net assets reported under IFRS in these financial statements. In addition there is a reconciliation of net assets under Ghana GAAP to IFRS at the transition date for this company at 1 January 2007.

Reconciliation of profit reported under Ghana GAAP to that reported under IFRS as at 31 December 2007.

	Notes	Previous GAAP GH¢	Effects of transition to IFRS GH¢	IFRS GH¢
GROSS SALES		306,492,356	0	306,492,356
Customs Duties and Levies		(66,831,552)	0	(66,831,552)
NET SALES		239,660,804	0	239,660,804
COST OF SALES		(221,427,819)	0	(221,427,819)
GROSS PROFIT		18,232,985	0	18,232,985
OPERATING EXPENSES				
Depot and Station Expenses		(3,454,788)	0	(3,454,788)
Selling & Administrative Expenses	b	(11,351,529)	(23,027)	(11,374,556)
TOTAL OPERATING EXPENSES		(14,806,317)	(23,027)	(14,829,344)
OPERATING PROFIT		3,426,668	(23,027)	3,403,641
Sundry Income		1,929,042	0	1,929,042
NET PROFIT BEFORE TAXATION		5,355,710	(23,027)	5,332,683
Provision for Taxation		(1,311,195)	0	(1,311,195)
NET PROFIT AFTER TAXATION ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		4,044,515	(23,027)	4,021,488

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

25. TRANSITION TO IFRS [Continued (a)]

Reconciliation of equity previously reported under Ghana GAAP to that reported under IFRS as at 31 December 2007.

ASSETS	Notes	Previous GAAP GH¢	Effects of transition to IFRS GH¢	IFRS GH¢
NON CURRENT ASSETS				
Property, Plant and Equipment		18,098,573	0	18,098,573
Trade Investments	a	647,260	549,074	1,196,334
		<u>18,745,833</u>	<u>549,074</u>	<u>19,294,907</u>
CURRENT ASSETS				
Stocks		6,282,661	0	6,282,661
Accounts Receivable		47,821,460	0	47,821,460
Short Term Investment		1,355,545	0	1,355,545
Cash and Bank Balances		7,152,569	0	7,152,569
		<u>62,612,235</u>	<u>0</u>	<u>62,612,235</u>
CURRENT LIABILITIES				
Bank Overdraft		7,986,141	0	7,986,141
Accounts Payable		34,750,072	0	34,750,072
Short Term Loan		2,571,080	0	2,571,080
Deferred Tax		206,571	0	206,571
Taxation		83,370	0	83,370
		<u>45,597,234</u>	<u>0</u>	<u>45,597,234</u>
NET CURRENT ASSETS		<u>17,015,001</u>	<u>0</u>	<u>17,015,001</u>
		<u>35,760,834</u>	<u>549,074</u>	<u>36,309,908</u>
TERM LOAN		<u>(13,661,541)</u>	<u>0</u>	<u>(13,661,541)</u>
NET ASSETS		<u>22,099,293</u>	<u>549,074</u>	<u>22,648,367</u>
REPRESENTED BY:				
Stated Capital		11,809,263	0	11,809,263
Building Fund		133,000	0	133,000
Income Surplus		6,250,245	0	6,250,245
Capital Surplus	a	3,906,785	549,074	4,455,859
		<u>22,099,293</u>	<u>549,074</u>	<u>22,648,367</u>

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

25. TRANSITION TO IFRS [Continued (b)]

Reconciliation of equity previously reported under Ghana GAAP to that reported under IFRS as at 1 January 2007.

ASSETS	Notes	Previous GAAP GH¢	Effects of transition to IFRS GH¢	IFRS GH¢
NON CURRENT ASSETS				
Property, Plant and Equipment		14,574,246	0	14,574,246
Trade Investments	a	647,260	540,274	1,187,534
		<u>15,221,506</u>	<u>540,274</u>	<u>15,761,780</u>
CURRENT ASSETS				
Stocks		4,128,078	0	4,128,078
Accounts Receivable		36,133,526	0	36,133,526
Short Term Investment		1,230,633	0	1,230,633
Cash and Bank Balances		1,907,071	0	1,907,071
		<u>43,399,308</u>	<u>0</u>	<u>43,399,308</u>
CURRENT LIABILITIES				
Bank Overdraft		8,559,488	0	8,559,488
Accounts Payable		25,539,142	0	25,539,142
Short Term Loan	b	5,162,301	(23,027)	5,139,274
Deferred Tax		336,500	0	336,500
Taxation		(142,711)	0	(142,711)
		<u>39,454,720</u>	<u>(23,027)</u>	<u>39,431,693</u>
NET CURRENT ASSETS		<u>3,944,588</u>	<u>23,027</u>	<u>3,921,561</u>
		<u>19,166,094</u>	<u>563,301</u>	<u>19,729,395</u>
TERM LOAN		<u>(5,434,490)</u>	<u>0</u>	<u>(5,434,490)</u>
NET ASSETS		<u>13,731,604</u>	<u>563,301</u>	<u>14,294,905</u>
REPRESENTED BY:				
Stated Capital		6,759,263	0	6,759,263
Building Fund		12,000	0	12,000
Income Surplus	b	3,053,556	23,027	3,076,583
Capital Surplus	a	3,906,785	540,274	4,447,059
		<u>13,731,604</u>	<u>563,301</u>	<u>14,294,905</u>

Notes to the Financial Statement

for the year ended 31st December, 2008 Cont.

25. TRANSITION TO IFRS [Continued (c)]

The effect of the above adjustments on Shareholders' Funds is as follows:

Note	1 January 2007 GH¢	31 December 2007 GH¢
Shareholders' Funds Balances per GAAP Accounts	13,731,604	22,099,293
Revaluation gain on Available for Sale Instruments, (Listed Securities) at transition date	540,274	540,274
Revaluation gain on Available for Sale Instruments, (Listed Securities) for the year 2007	0	8,800
Reversal of arrangement fees charge on receipt of loan facility	23,027	0
Revised Shareholders' Funds per IFRS Accounts	14,294,905	22,648,367
	=====	=====

a) TRADE INVESTMENTS (AVAILABLE FOR SALE FINANCIAL INSTRUMENTS)

Previously, the Ghana Oil Company Limited has maintained a policy of stating listed securities at cost.

In line with IAS 39, all securities classified as available for sale shall be valued at fair value, (market value), and movements in the fair value measurements primarily recognised in equity and subsequently in the income statement to the extent that such movements offset gains previously recognised in equity. This has had the effect of increasing the carrying amount of trade investments at the transition date by GH¢540,274 for listed securities as well as the capital surplus balance at that date by the same amount. It has also had the effect of increasing the carrying amounts for trade investments and the capital surplus balance at the close of the year 2007 by GH¢549,074.

Unlisted securities have been maintained at cost as their fair values cannot be reliably measured.

(b) SELLING AND ADMINISTRATIVE EXPENSES

Previously, loan facility and processing fees suffered by the Company have been charged as part of administrative expenses.

In accordance with IAS 39, such fees shall be amortised over the term of the loan facilities using the effective interest rate. This has had the effect of an increase in the income surplus balance and a decrease in term loan balance at the transition date by GH¢23,027. This amount has subsequently been expensed through the profit and loss for the year 2007.

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 Auditorium,
 College of Physicians and Surgeons, Ridge, Accra on 16th July, at 11:00 a.m. and at any
 adjournment thereof.

This form is to be used:

1	* <u>In favour of</u> against	The Resolution to adopt the Reports of the Directors and the Financial Statements of the Company for the year ended December 31, 2008.
2	* <u>In favour of</u> against	The Resolution to declare a dividend with respect to the Year ended December 31, 2008 as recommended by the Directors
3	* <u>In favour of</u> against	The appointment of Prof. William Afiakwa Asomaning as a Director
4	* <u>In favour of</u> against	The appointment of Hon. Nii Laryea Afortey Agbo as a Director
5	* <u>In favour of</u> against	The appointment of Mr. Kwasi Yankah as a Director
6	* <u>In favour of</u> against	The appointment of Mr. Eugene Akoto -Bamfo as a Director
7	* <u>In favour of</u> against	The appointment of Mr. Kojo Bonsu as a Director
8	* <u>In favour of</u> against	The appointment of Mr Chris Ackumey as a Director
9	* <u>In favour of</u> against	The appointment of Ms Faustina Nelson as a Director
10	* <u>In favour of</u> against	The Resolution to authorize the Directors to fix the remuneration of the Auditors
11	* <u>In favour of</u> against	The Resolution to fix the remuneration of the Directors

SPECIAL RESOLUTION

12	* <u>In favour of</u> against	The Resolution to AMEND SECTIONS 14(1), 14(1)(a), 14(1)(b), 14(1)(c), 14(2a) and 14(2b) of the Company's Regulations
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On any other business transacted at the meeting and unless otherwise instructed in Paragraphs 1 to 12 above, the resolutions to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

* Strike out whichever is not desired.

..... Signed this day of 2009.
 Signature of Shareholder

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

1. A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the Form for HON. FREDDIE W. BLAY, 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 HON. FREDDIE W. BLAY.
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 overleaf not later than 4pm on Tuesday the 7th day of July, 2009.
6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.

Notes

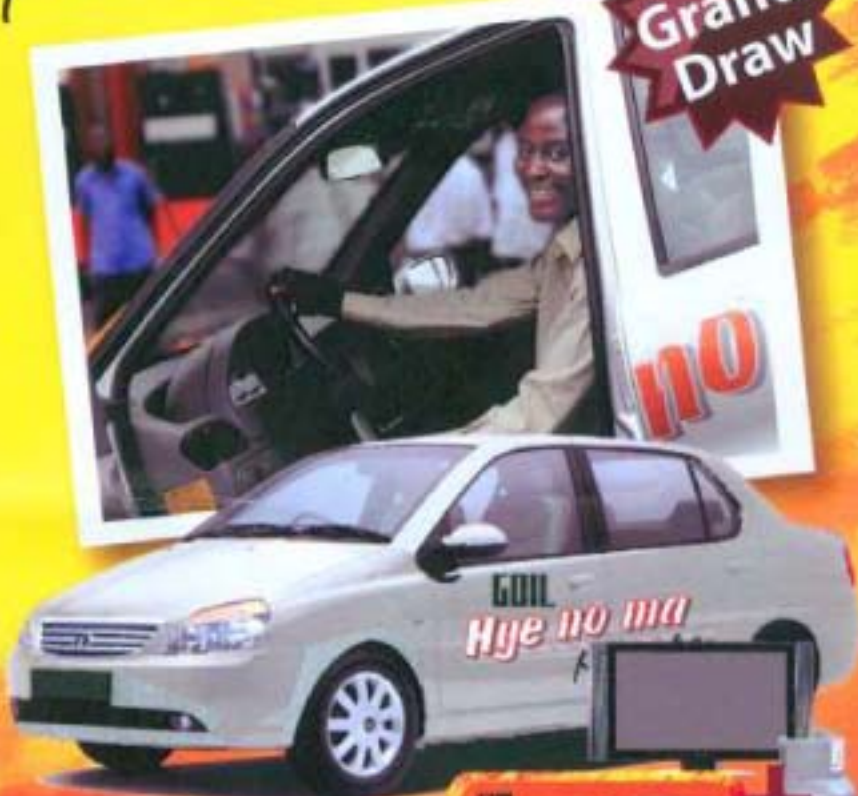
Notes

Notes

Congratulations

GOIL
Hye no ma
promo winners

Grand Draw



Nana Yaw James Hackman
(Taxi Driver) GE 4630 Z



1st Draw



CLARKSON LARYEA
VRA program analyst-Accra

2nd Draw



J.K. AMANFI
Lawyer-high court judge-Kumasi

3rd Draw



KOBBY ACHEAMPONG
2nd hand clothing dealer-Kantamanto

4th Draw



MR. TAWIAH BRONI,
A Trotro Driver-Kumasi

To the proud winners in the Goil Hye No Ma Promotion

WE SAY "TANK" YOU

We share in your glory

We have come this far because of your
unreserved support and patronage of **GOIL**



Sharing good things in business



The Strength of GOIL Diesel XP.

- **S**upports you engine to perform at its optimum
- **T**akes care of the essential parts of your engine and protects it against corrosion
- **R**educes exhaust pipe emissions to help prevent pollution of the atmosphere
- **E**xtends average distance travelled to help you save fuel
- **N**earer to you at any GOIL filling station for your convenience
- **G**ives your engine more power and longer life
- **T**ested and endorsed by the Ghana Energy Foundation
- **H**igh cetane based diesel fuel for smoother and faster acceleration

