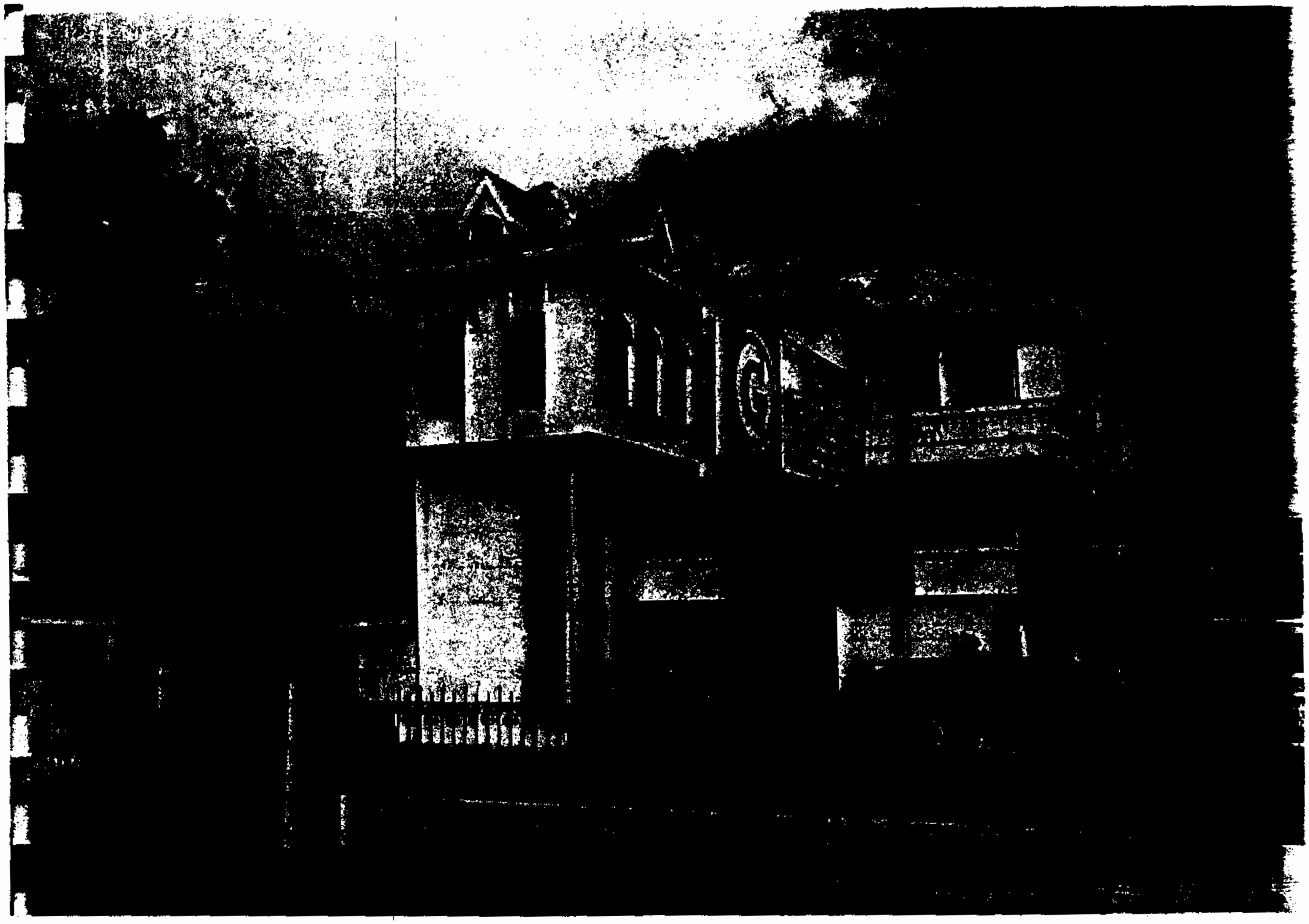
ANNUAL REPORT OF THE GUYANA OIL COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2013



The Guyana Oil Company Limited
Annual Report - 2013

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Ⓖ THE GUYANA OIL COMPANY LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the thirty-eight (38th) Annual General Meeting of The Guyana Oil Company Limited will be held on Friday June 20, 2014 at 17:00 hours (5:00p.m.) in the Company's Conference Room, Kitty Service Station, Queen Street, Kitty, Georgetown, for the following purposes:-

AGENDA

1. To receive and consider the Audited Accounts for the year ended December 31, 2013 and the Reports of the Directors and Auditors thereon;

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

3. To confirm the payment of the Interim Dividend.

4. Any Other Business.

By Order of the Board

Registered Office:
191 Camp Street
Georgetown

May 28, 2014

....
Abdool S. Kadir
Company Secretary

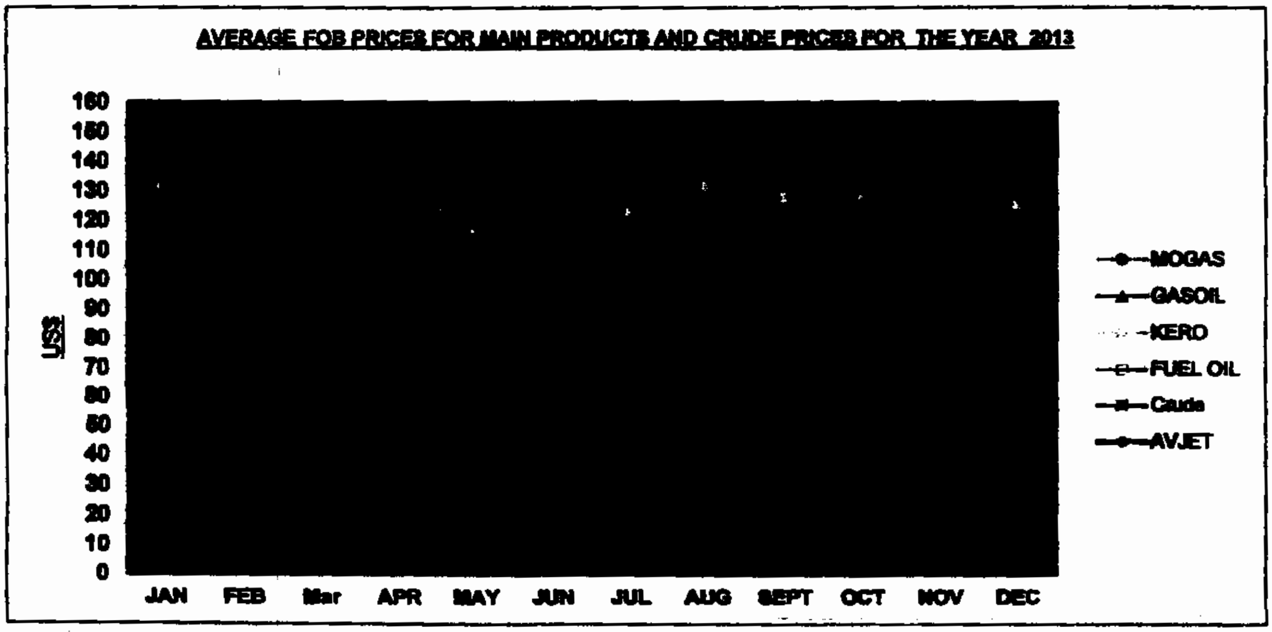
CHAIRMAN'S REPORT

INTRODUCTION

I am pleased to present the Chairman's Report and Audited Financial Statements for the year ended 31st December, 2013.

The Company's business involves the importation, storage, distribution and marketing of Motor Gasoline, Gasoil, Kerosene, Fuel Oil, Castrol Lubricants and Bituminous products. The products are distributed through the largest distribution network in the petroleum business in Guyana, comprising thirty-six (36) Dealer-owned and seven (7) Company-owned Service Stations, all serviced by its three (3) Terminals located in Regions II, IV, VI.

The fuel business in Guyana continued to be characterized by high acquisition prices, aggressive competition and low margins. Acquisition prices for refined petroleum products during the year fluctuated between US$80.00/bbl and US$135.76/bbl, with an average of US$120.97/ bbl. An aggressive Competition and low margins imposed great challenges on the Company during the year.



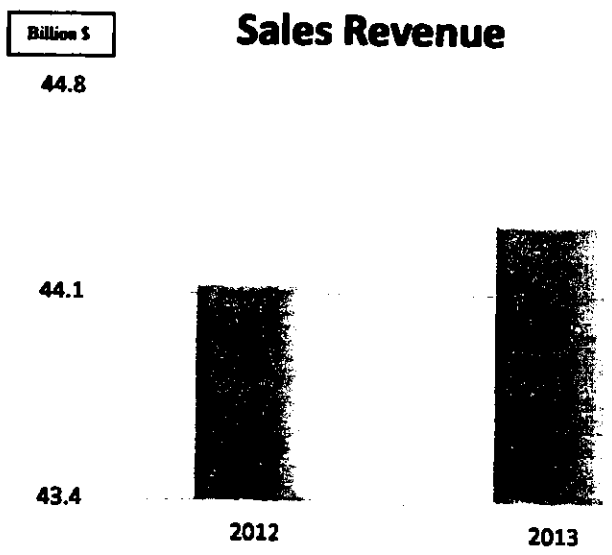
The Company continued to acquire fuel under the Petro-Caribe Agreement from Venezuela, from their Refinery in Curacao, which is our main Supplier, while we still continue to lift some of our supplies out of Trinidad.

Despite the challenges, GUYOIL continued to be the leader in stabilizing the prices of fuel products, to the benefit of the consuming public and industry.

PERFORMANCE HIGHLIGHTS

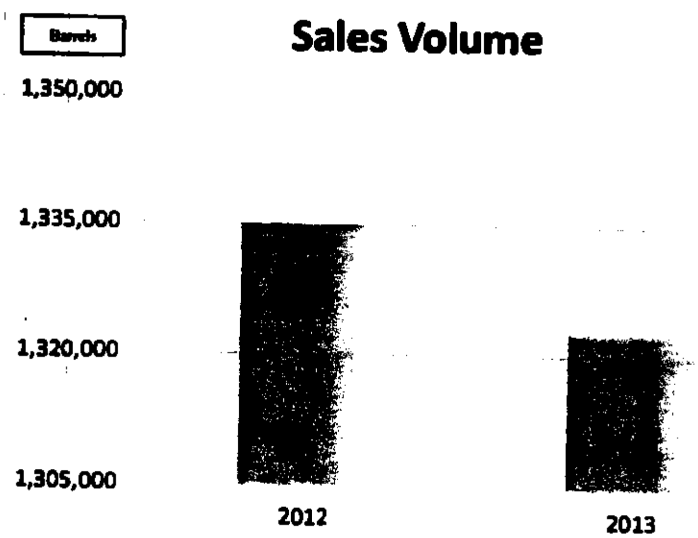
Sales Revenue

In 2013 sales was $44.340B compared to $44.130B in 2012, an increase of $0.210B or 0.48%
Cost of sales was $41.484B compared to $40.867B in 2012, an increase of $0.617B or 1.51%.

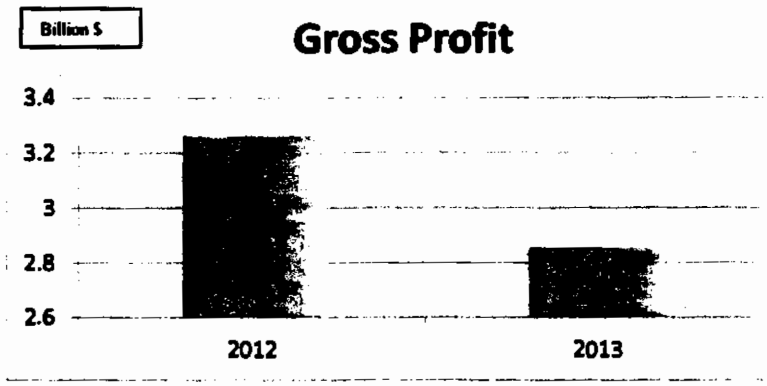


Sales Volume

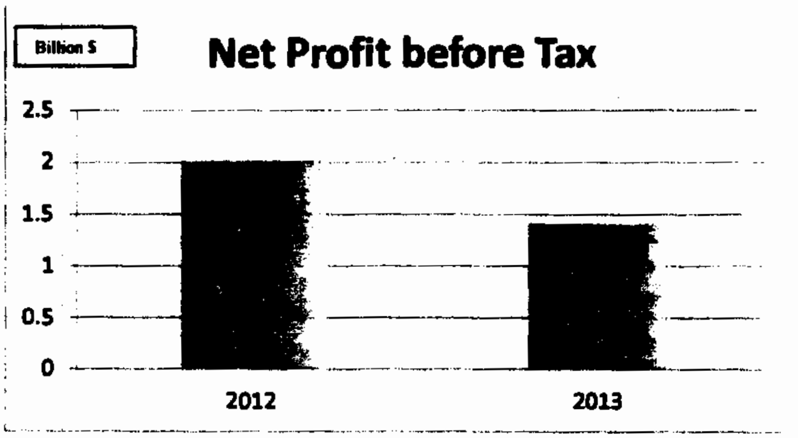
Volume sales achieved were 1,322,907 bbls compared to 1,334,910 bbls in 2012, a decrease of 12,003 bbls or 0.90 %.



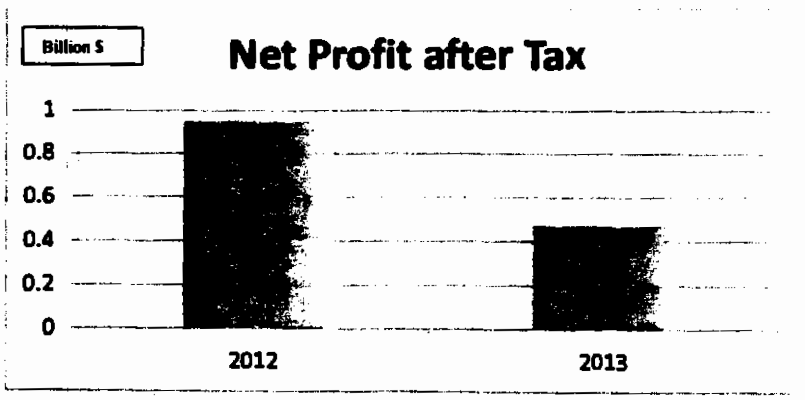
Gross Profit
Gross profit achieved in 2013 was $2.857B compared to $3.264B in 2012, a decrease of $0.407B or 12.47%.



Net Profit before Tax
Net profit before taxation for 2013 was $1.418B compared to $2.026B in 2012, a decrease of $0.608B or 30.01%.



Net Profit after Tax
Net profit after taxation was $0.474B compared to $0.951B in 2012, a decrease of $0.477B or 50.17%.



Discussion on Financial Performance

While the sales volume and sales revenue in 2013 and 2012 were similar, the GP and the NP in 2013 were significantly lower than in 2012. The low GP is explained by the very small margins the Company traded at while the low NP (after tax) resulted because the Company was required to provide Corporation Tax at 2% of turnover instead of 40% of net profit. *Had the company provided Corporation tax at 40 % of NP total taxation for 2013 would have been $550,513,448 compared to $886,801,100 provided for at 2% of turnover.*

CONTRIBUTION TO COMMUNITY

During the year the Company had contributed $1.26M to community based organizations and institutions involved in sports, education & culture, religious and charitable work.

MANAGEMENT AND STAFF

Management and staff were up to the challenges in 2013 and will continue to ensure that our customers benefit from the highest quality of service while maintaining good relationships with our Suppliers.

PARTNERSHIP

We continue to build and improve our business partnership with BP/Castrol, benefiting from extensive training in marketing and product knowledge, thereby enabling the Company to maintain its Market Share in the lubricant business despite selling at significantly higher prices than the competition.

MARKETING FOCUS

The Company's drive to expand its Market Share for fuel and lubricants along with retail pricing strategies were the key factors contributing to its success in 2013. Vigorous marketing activities were maintained throughout the year.

INDUSTRIAL RELATIONS

Industrial relations continued to be stable and cordial during the year. Employees received a salary increase of five percent (5%) across-the-board, retroactive to January 2013. Additionally, an annual incentive bonus of three (3) weeks was paid to all employees.

INDEBTNESS TO THE COMPANY

Trade Debtors are vigorously being pursued with the objective of collecting all debts. Legal action has been taken where necessary. The Company's credit policy is being strictly adhered to.

TRAINING

Training continues to be an integral part of the Company's management strategy. Staff attended training seminars on Avjet with emphasis on product quality, Supervisory Management, Customer Service and Occupational Health and Safety/HIV.

Consumer Sales Representatives attended seminars on Customer Service, Marketing and Product Knowledge. During the year some 1,574 man hours of in-house and external training were conducted.

EXPANSION AND FUTURE PROJECTS

During the year the Company continued with its expansion program. Capital Expenditure for the year was $589.762 M. The first phase of the Company's AVJET Project concluded with the erection of an AVJET Fuel Handling Facility at the Providence Terminal. Sale of Jet fuel commenced to CAMS at Ogle Airport.

The second phase of the Company's AVJET Project involves installation of an AVJET Fuel Handling Facility at the CJIA in 2014.

The Company's strategy of improving its profitability by focusing on its retail business to upgrade and modernize its Service Stations began with the Regent Street station in 2013. This programme will continue in 2014 with the remodeling of the Providence Service Station to increase fuel storage capacity and vehicle throughput.

CORPORATE GOVERNANCE

The Board of Directors is committed to good Corporate Governance. The Company's Corporate Governance Policies confirm to internationally accepted rules and are designed to ensure that the Company is managed in the best interest of its Shareholder, Employees, Customers and the country's national interest.

During the year the Finance/Audit Committee and the Tender Board Committee were active and contributed to the prudent management of the Company's affairs.

OUTLOOK FOR 2014

While it is expected that 2014 would see positive economic growth, there are major challenges to be faced. The world economy has not fully recovered from the global financial crisis of 2008/2009, with a number of countries, particularly in Europe, still facing recession. OPEC member states would like to maintain the price of crude oil above US$100/barrel, and this will result in high prices for refined products. Management faces great challenges ahead to maintain profitability of the Company's operation in 2014.

ACKNOWLEDGEMENTS

I wish to express sincere thanks and gratitude to my fellow Directors, Management and employees at all levels of the Company for their continued contribution towards GUYOIL's exceptional performance. On behalf of the Board of Directors I would like to record our appreciation for the support received during the year from our Suppliers, Dealers and Customers, and look forward for their continued support in the years ahead.

In closing, I wish to express our sincere appreciation to the Executive Director of NICIL, Mr. Winston Brassington, our subject Minister, Dr. Ashni Singh, the Honorable Minister of Finance, and his staff for their support and guidance during 2013.

....

Dr. Keshav Mangal
Chairman - Board of Directors

REPORT OF THE DIRECTORS - 2013

The Directors take pleasure in submitting their Annual Report, together with the Audited Financial Statements for the year ended December 31, 2013.

1. SALES AND PROFITABILITY

Revenue for the year was $44.340 Billion compared to $44.130 Billion for the preceding year, a minimal increase of $0.210 Billion or 0.48%.

Gross Profit for the year was $2.857 Billion compared to $3.264 Billion for the previous year, a decrease of $0.41 Billion or 12.47%.

Net Profit for the year after taxation amounted to $0.474 Billion compared to $0.951 Billion for 2012, a decrease of $0.477 Billion or 50.16%.

2. DIVIDENDS

Confirmation of the Interim Dividend of Nine Hundred & Fifty Million Dollars ($950,000,000) for 2013, declared by the Board of Directors and paid on June 28, 2013.

No final Dividend is recommended by the Directors for the year 2013.

3. CAPITAL EXPENDITURE

Capital Expenditure for the year amounted to $589,762 Million categorized as follows:-

	$ Million
(a) Land and Buildings	--
(b) Plant, Machinery and Equipment	7.001
(c) Office Furniture and Fittings	18.447
(d) Motor Vehicles	--
(e) Construction Work-in-progress	564.314
	589.762

4. DIRECTORS

Members of the Board of Directors are appointed, and their remuneration fixed by, the Minister of Finance.

The following persons were appointed Directors of the Company for the year 2013:-

(a) Dr. Keshav Mangal	-	Chairman
(b) Mr. Oscar Phillips	-	Member
(c) Mr. Harryram Parmesar	-	Member
(d) Mr. Neermal Rekha	-	Member
(e) Mr. Lance Carberry	-	Member
(f) Mr. Hubert Rodney	-	Member
(g) Mr. Badrie Persaud	-	Ex-Officio Member

5. **DIRECTORS' INTEREST**

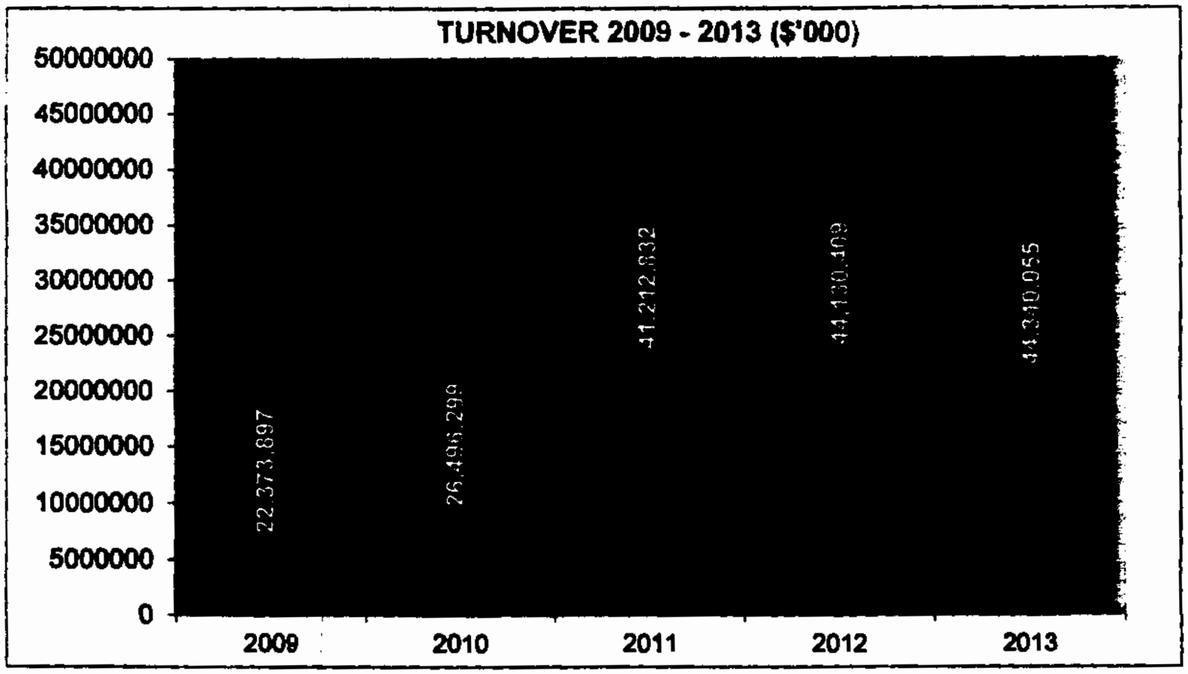
Members of the Board of Directors do not hold any Shares in the Company. No Director has any service contract with the Company.

6. **AUDITORS**

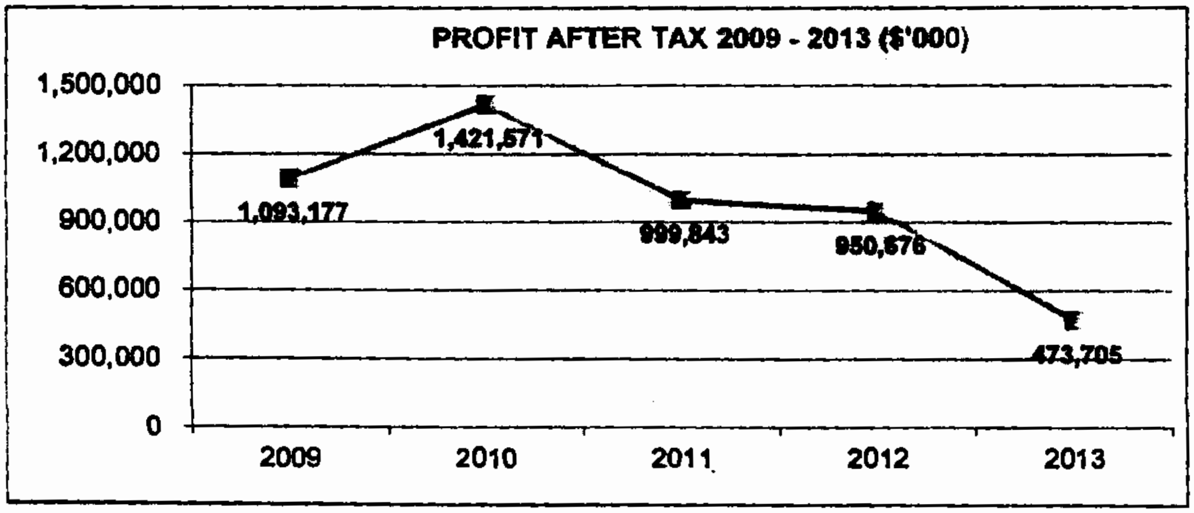
In accordance with the Audit Act 2004, the Auditor General of Guyana, the Auditor of the Company, conducted the Audit for 2013.

TURNOVER 2009 - 2013 ($'000)

Year	2009	2010	2011	2012	2013
Turnover ($'000)	22,373,897	26,496,299	41,212,832	44,130,409	44,340,055



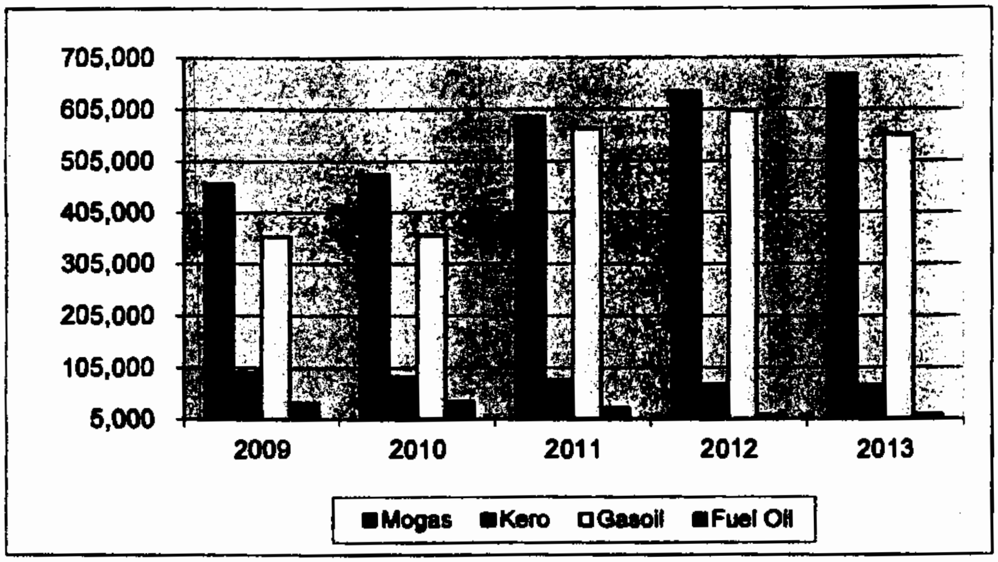
Year	2009	2010	2011	2012	2013
Profit after Tax ($'000)	1,093,177	1,421,571	999,843	950,676	473,705

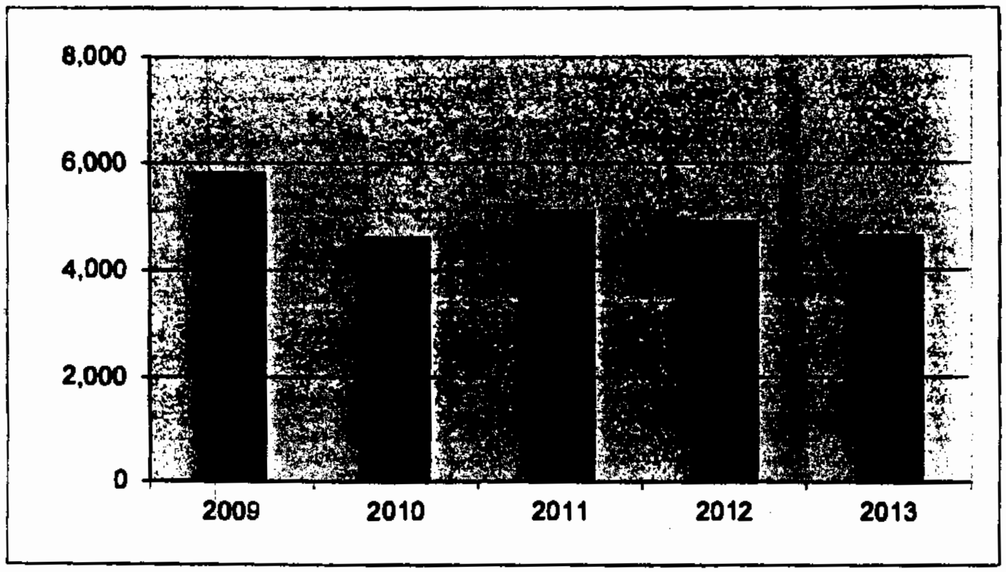


CHARTS OF VOLUMES 2009- 2013

Year	Mogas	Kero	Gasoil	Fuel Oil
2009	461,026	96,942	358,268	37,189
2010	479,281	87,881	361,392	39,604
2011	591,867	80,730	567,845	26,946
2012	639,447	71,630	601,818	13,023
2013	671,188	69,596	555,953	13,839

Year	Lubes
2009	5,803
2010	4,611
2011	5,094
2012	4,900
2013	4,642





LUBES

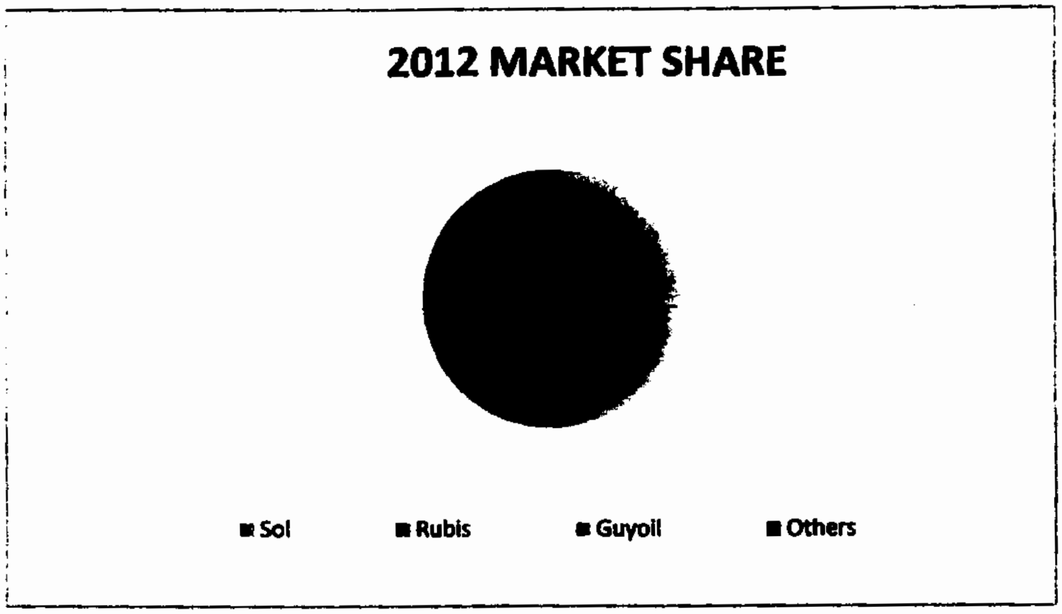
MARKET SHARES IN 2012 Vs 2013

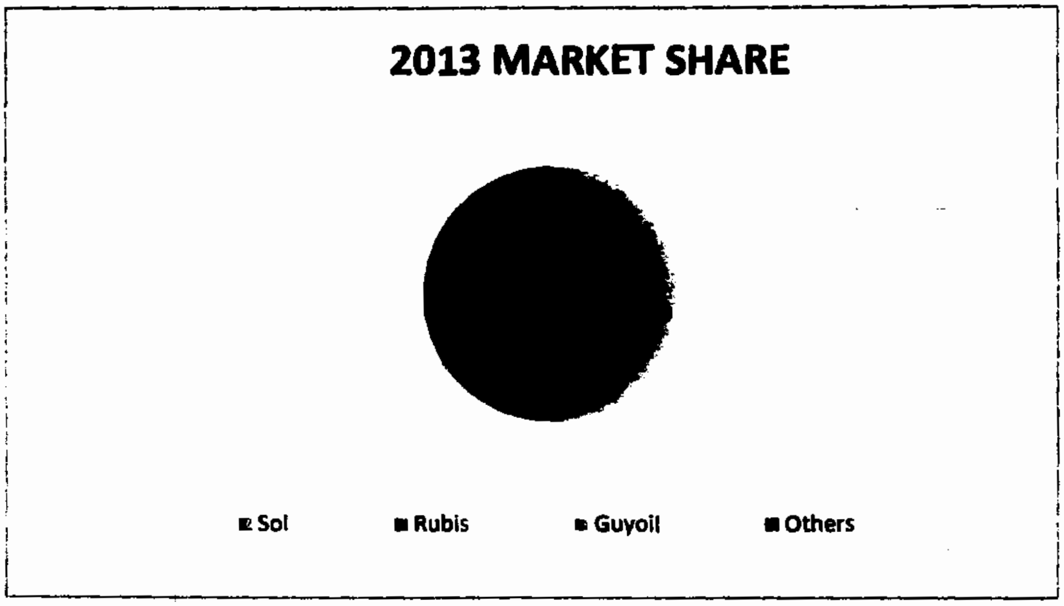
2012

Company	Bbl	Share %
Sol	1,118,412	26
Rubis	497,542	12
Guyoil	1,325,918	31
Others	1,336,553	31
	4,278,425	**100**

2013

Company	Bbl	Share %
Sol	959,006	22
Rubis	712,559	16
Guyoil	1,310,576	29
Others	1,483,969	33
	4,466,110	**100**





Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 37/2014 29 April 2014

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
ON THE FINANCIAL STATEMENTS
OF THE GUYANA OIL COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2013

I have audited the accompanying financial statements of the Guyana Oil Company (GUYOIL) which comprise of the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC) and those of the International Organisation of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view, in all material respects, the financial position of Guyana Oil Company (GUYOIL) as at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

AUDIT OFFICE
OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

The Guyana Oil Company Limited
(wholly owned subsidiary of National Industrial and Commercial Investments Limited)
Statement of Financial Position
As at December 31, 2013

	Notes	2013 G$'000	2012 G$'000
ASSETS			
Non-current assets			
Property, plant & equipment	4	2,137,642	1,750,899
Deferred tax assets	5	24,802	30,103
		2,162,444	1,781,002
Current Assets			
Investment		-	200,000
Inventories	6	2,279,954	1,869,098
Trade and other receivables	7	738,360	896,095
External payment deposits	8	107	107
Taxes recoverable		-	119,381
Cash and cash equivalents	9	3,745,338	4,955,459
Total current assets		6,763,759	8,040,140
TOTAL ASSETS		8,926,203	9,821,142
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	10	575	575
Capital reserves	11	775	775
Retained earnings		6,902,381	7,428,676
		6,903,731	7,430,026
Non-current liabilities			
Defined benefit liability	12	84,151	58,727
Current liabilities			
Accounts payable	13	1,880,024	2,095,637
Taxes payable		58,297	236,752
Dividends payable	14	-	-
		1,938,321	2,332,389
TOTAL EQUITY AND LIABILITIES		8,926,203	9,821,142
		0	

The notes on pages 4 to 16 form an integral part of these financial statements.

Approved and signed on behalf of the Board of Directors by:

Director

Director

The Guyana Oil Company Limited
(wholly owned subsidiary of National Industrial and Commercial Investments Limited)
Statement of Comprehensive Income.
For the year ended December 31, 2013

	Notes	2013 G$'000	2012 G$'000
Revenue	15	44,340,055	44,130,409
Cost of sales		41,483,526	40,866,634
Gross profit		2,856,529	3,263,775
Expenses			
Administrative		450,186	428,782
Operating		642,632	537,163
Marketing		394,167	353,397
Total expenses		1,486,985	1,319,342
Operating profit		1,369,544	1,944,433
Other income	17	30,262	50,097
Interest receivable		18,364	31,633
Profit before taxation		1,418,170	2,026,163
Taxation	18	944,465	1,075,487
Profit after taxation		473,705	950,676
Earnings per share (in dollars)	19	0.82	1.65

The notes on pages 4 to 16 form an integral part of these financial statements.

The Guyana Oil Company Limited
(wholly owned subsidiary of National Industrial and Commercial Investments Limited)
Statement of cash flows
For the year ended December 31, 2013

	2013 G$'000	2012 G$'000
Cash flows from operating activities		
Net profit before taxation	1,418,170	2,026,163
Adjustments for:		
Interest receivable	(18,364)	(31,633)
Depreciation	196,826	167,867
(Gain)/loss on disposal of property, plant & equipment	3,923	(9,135)
Operating profit before changes in working capital	1,600,555	2,153,262
Decrease/(Increase) in inventories	(410,856)	288,772
Decrease(Increase) in trade and other receivables	157,735	144,814
(Decrease)/Increase in trade and other payables	(215,613)	341,214
Increase/(decrease) in defined benefit liability	25,424	10,849
(Increase)/decrease in External Payments Deposit	-	-
Cash generated from operations	1,157,245	2,958,911
Taxes paid	(998,238)	(1,049,666)
Net cash flows generated from operating activities	159,007	1,889,245
Cash flows from investing activities		
Purchase of property, plant and equipment	(589,762)	(523,712)
Interest received	18,364	31,633
Proceeds from sale of property, plant and equipment	2,270	14,950
Adjustment - Investment exchanged for Property	200,000	-
Net cash used in investing activities	(369,128)	(477,129)
Cash flows from financing activities		
Dividend paid	(1,000,000)	(1,000,000)
Net cash used in financing activities	(1,000,000)	(1,000,000)
Net cash inflow for the year	(1,210,121)	412,116
Cash and cash equivalents at January 1, 2013	4,955,459	4,543,343
Cash and cash equivalents at December 31, 2012	3,745,338	4,955,459
Analysis of cash and cash equivalents as stated in the Balance Sheet:		
Cash on Hand	2,822	2,822
Cash on Deposit	3,742,516	4,952,637
Cash and cash equivalents as per balance sheet	3,745,338	4,955,459

The notes on pages 4 to 16 form an integral part of these financial statements.

The Guyana Oil Company Limited
(wholly owned subsidiary of National Industrial and Commercial Investments Limited)
Statement of Changes in Equity
For the year ended December 31, 2013

	Notes	Stated capital (note 10) G$ '000	Capital reserves (note 11) G$ '000	Retained earnings G$ '000	Total G$ '000
Balance at December 31, 2012:					
- as previously stated		575	775	7,478,000	7,479,350
Net profit for the year		-	-	950,676	950,676
Reduction in EPD A/c charged directly to Retained Earnings				-	-
Dividends				(1,000,000)	(1,000,000)
Balance at December 31, 2012		575	775	7,428,676	7,430,026
Net profit for the year		-	-	473,705	473,705
Dividends	14	-	-	(1,000,000)	(1,000,000)
Balance at December 31, 2013		575	775	6,902,381	6,903,731

The notes on pages 4 to 16 form an integral part of these financial statements.

1. **Incorporation and principal activities**

The Company was incorporated in the Co-operative Republic of Guyana under the Companies Act Cap. 89:01 on June 16, 1976 and continued under the Companies Act, 1991 on May 17, 1997. The Company's registered office is located at 166 Waterloo Street, Georgetown. The principal activities of the company consist of the purchase and sale of petroleum products.

These financial statements were authorised for issue by the Board of Directors on April 14, 2014.

2. **Summary of significant accounting policies**

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards, and have been prepared under the historical cost convention except for the valuation of certain items of property, plant and equipment vested in the Company on 16 June 1976 as stated in note 4.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Those areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

In the current year, the Company adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee of the IASB that are relevant.

At the date these financial statements were authorised, several Standards and Interpretations were in issue but not yet effective. These are not expected to have a significant impact on the financial statements of the Company.

(b) Income and expenditure

Income and expenditure are dealt with in these financial statements on the accrual basis.

(c) Revenue recognition

Revenue is recognised when the product has been delivered to the customer and the consideration becomes receivable. Turnover represents the value of goods sold to third parties.

2. **Summary of significant accounting policies**

(d) Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses (if any). Depreciation is calculated on a straight-line basis at rates estimated to write off the assets over their expected useful lives. No depreciation is provided on freehold land and construction work-in-progress. The expected useful lives of the other property, plant and equipment are as follows:

Building	Over 20 years
Motor vehicles	Over 4 years
Equipment	Over 10 years
Office furniture & fittings	Over 10 years
Office Equipment	Over 4 years

(e) Inventories

Inventories are stated at the lower at cost and net realisable value using primarily the average cost method.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Retirement benefit costs

The Company participates in a contributory multi-employer defined benefit pension scheme. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses that exceed 10 percent of the greater of the present value of the company's defined benefit obligation and the fair value of plan assets are recognised immediately.

(h) Taxation

Tax shown charged against profits for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income and net property for the year, using tax rates in effect at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax liabilities are provided using the balance sheet liability method in respect of corporation taxes payable in future periods for taxable temporary differences. Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits but only to the extent that it is probable that taxable profit will be available for offset.

2. Summary of significant accounting policies continued

(l) Reporting and foreign currencies

The financial statements are presented in Guyana dollars. Foreign currency transactions are recorded at the rates prevailing at the dates of the transactions. Monetary assets and liabilities that are denominated in a foreign currency at the balance sheet date are retranslated at the rates prevailing at that date. Gains and losses arising on retranslation are included in the profit and loss for the period

3. Critical accounting judgments and key sources of estimation uncertainty

Except for the judgments made by management in establishing provisions for impairment losses (note 6 and 7), there were no judgments or estimations that have a significant effect on the amounts recognised in the financial statements.

4. Property, plant and equipment

(a) Movement to Fixed Assets

	Land and Buildings G$'000	Plant, Machinery & Equipment G$'000	Office Furniture & fittings G$'000	Motor Vehicles G$'000	Construction Work-in-Progress G$'000	Total G$'000
Cost/valuation						
At January 01,	849,493	1,100,631	200,467	388,140	374,129	2,912,860
Additions	-	7,001	18,447	-	564,314	589,762
Disposals	(20,166)	(15,978)	(5,865)	(15,309)	-	(57,318)
Transfers	273,194	351,343	-	56,252	(680,789)	-
At December 31,	1,102,521	1,442,997	213,049	429,083	257,654	3,445,304
Depreciation						
At January 01,	202,775	511,251	96,744	351,191	-	1,161,961
Charges	60,776	77,221	35,113	23,716		196,826
Disposals	(17,396)	(14,391)	(4,466)	(14,872)		(51,125)
Reclassifications	-	-	-	-	-	-
At December 31,	246,155	574,081	127,391	360,035	-	1,307,662
Net book value						
At December 31,	856,366	868,916	85,658	69,048	257,654	2,137,642
At January 01,	646,718	589,380	103,723	36,949	374,129	1,750,899

Included in land and buildings is land costing $1,320,000 (2009 - $1,320,000). Fixed assets vested in the company upon incorporation were recorded at the net book value of the previous owner.

(b) Included in additions is Land and Buildings purchased at 191 Camp Street, Georgetown for $ 206.431 Million. This was partly financed from the proceeds of the redemption of the Investments of $ 200 Million during the year.

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	2013	2012
5. Deferred tax assets	G$'000	G$'000
Deferred tax assets are attributable to the following:		
Property, plant and equipment:		
At January 1,	30,103	38,998
Movement during the year	(5,301)	(8,895)
At December 31,	24,802	30,103
6. Inventories		
Bulk petroleum	1,864,711	1,495,076
Lubricants	280,947	240,650
Spares, materials and supplies	113,489	115,989
Other	20,807	17,383
	2,279,954	1,869,098
Provision for stock obsolescence	-	-
	2,279,954	1,869,098
7. Trade and other receivables		
Trade debtors	699,024	840,615
Other debtors	763	5,651
Prepayments	87,131	98,387
	786,918	944,653
Provision for bad and doubtful debts	(48,558)	(48,558)
	738,360	896,095

8. External payment deposit

This represents amounts deposited with the company's bankers pending permission from the Bank of Guyana to remit to the Company's foreign creditors.

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		2013	2011
9. Cash and cash equivalents		**G$'000**	**G$'000**
(a)	Cash on hand - local currencies	2,822	2,822
(b)	Demand deposits	708,870	1,776,381
(c)	Savings deposits	2,249,096	2,238,249
(d)	Term deposits	126,130	124,316
(e)	Foreign currency balances	658,420	813,690
	Total	3,745,338	4,955,458

(a) These are non-interest bearing cash balances with no dates for maturity.
(b) This represents a non-interest bearing chequing account.
(c) The weighted average rate of interest for the year was 2.5% (2009 - 2.5%). There is no date of maturity.
(d) This represents short term investments of interest an average interest rate of 3% with varying maturity dates.
(e) These represent foreign currency accounts with no maturity dates.

10. Stated capital	**G$'000**	**G$'000**
Issued and fully paid: 575,000 ordinary shares	575	575

The company is authorised to issue a maximum of 5,000,000 ordinary shares at a minimum issue price of $1 each. All issued shares are held by National Industrial and Commercial Investments Limited (NICIL).

11. Capital reserve

This represents the difference between the net book value of the assets acquired on June 16, 1976, the date of incorporation, and the purchase consideration.

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12. Defined benefit liability

The Company participates in a contributory multi-employer pension scheme, Guyana Sugar and Trading Enterprises Pension Scheme (STEPS), a defined benefit scheme. The contributions are held in trustee administered funds, which are separate from the Company'

The plan covers all permanent employees. The average number of employees in the pension scheme was 214, (2012 - 195). The last actuarial valuation was done at December 31, 2012.

	2013	2012
	G$'000	G$'000
Net Liability in Statement of Financial Position		*(Restated)*
Present Value of Defined benefit obligations	565,768	539,111
Fair value of plan assets	(481,617)	(459,431)
	84,151	79,680
Unrecognised actuarial loss	-	-
Net Defined benefit liability/(Asset)	84,151	79,680
Expense recognised in the Statement of Income		
Current service cost	39,176	51,164
Net Interest on Net defined benefit Liability/(Asset)	3,419	2,939
Expected return on plan assets	-	-
Net pension cost	42,595	54,103
Movement in Present Value of Defined Benefit Obligation		
Defined benefit obligation at start of year	539,111	478,468
Current Service Cost	51,164	39,176
Interest Cost	26,486	23,506
Members Contribution	11,758	10,659
Experience Adjustments	(43,739)	4,195
Benefits Paid	(19,012)	(16,893)
Defined benefit obligation at end of year	565,768	539,111
Movement in Fair Value of Plan Assets		
Fair Value of Plan Assets at start of year	459,431	391,129
Interest Income	23,547	20,087
Return on Plan Assets, excluding interest Income	(24,691)	26,719
Company Contribution	30,584	27,730
Members Contribution	11,758	10,659
Benefits Paid	(19,012)	(16,893)
	-	-
Fair Value of Plan Assets at end of year	481,617	459,431
Summary of Principal Assumptions as at 31 December.		
	% per annum	% per annum
Discount rate	5.0	5.0
Salary increases	5.0	5.0
Pension increases	2.0	2.0

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13. Accounts payable	2013 G$'000	2012 G$'000
Trade payables	1,871,963	2,098,901
Accruals and other payables	8,061	(3,264)
Total	1,880,024	1,754,423

14. Dividend payable		
Final dividend in respect of 2011	-	150,000
Interim Dividend 2012	-	850,000
Final Dividend 2012	50,000	-
Interim Dividend 2013	950,000	-
	1,000,000	1,000,000

15. Revenue		
Gasoline	22,455,606	21,300,921
Gasoil	18,358,674	19,356,248
Kerosene	2,023,470	2,085,669
Avjet	35,409	
Fueloil	360,780	349,674
Lube oil	760,690	804,215
Lube grease	28,372	26,588
Bitumen	270,345	159,098
Tyres, batteries & accessories	46,709	47,995
Total	44,340,055	44,180,408

16. Expenses by nature		
Auditor's remuneration	5,142	3,499
Employment costs including directors' fees	579,285	549,184
Advertising	23,720	23,659
Bad debts	20,428	47,336
Depreciation	196,827	167,868
Electricity and telephone	70,040	74,023
Exchange losses	(8,926)	321
Freight & other charges	93,818	73,481
Legal & professional fees	33,548	7,757
License & others	3,588	5,067
Rental	12,137	12,570
Repairs & maintenance	168,263	154,670
Travel & accommodation	5,505	8,032
Duties and taxes	-	25,986
Cost of inventories sold	41,483,526	40,866,634
Other	283,610	164,850
	42,970,511	42,184,937

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17. Other income

	2013 G$'000	2012 G$'000
Subletting of tanker		
Income	249,259	199,520
Cost associated with subletting tanker	258,017	198,495
	(8,758)	1,025
Other	39,020	49,072
Total	30,262	50,097

18. Taxation

The tax charge is made up as follows:

	2013	2012
Current year		
Corporation tax	886,764	882,646
Less - Overprovision 2011	-	131,256
	886,764	1,013,902
Property tax	52,400	58,000
Add(Deduct)- Under(Over)provision2011	-	(5,735)
Capital Gains Tax	-	425
Add(Deduct)- Under(Over)provision2011	-	-
	939,164	1,066,592
Deferred tax		
(Origination)/reversal of temporary differences on fixed assets	5,301	8,895
Total	944,465	1,075,487

Reconciliation of effective tax rate

		2013		2012
Profit before tax	0	1,418,170		2,026,163
Corporation tax at the enacted rate	40.00%	567,268	40.00%	729,054
Income not subject to Corporation taxes	(1.29%)	(18,364)	(2.19%)	(39,969)
Other adjustments in arriving at taxable income	6.41%	90,970	4.99%	90,970
Property taxes	5.30%	75,105	4.12%	75,105
Capital Gains tax	0.08%	1,200	0.07%	1,200
Current period tax charge	50.50%	716,179	46.98%	856,360

19. Earnings per share

	2013	2012
Net profit after taxation	473,705	950,676
Number of shares	575,000	575,000
Earnings per share in dollars	0.82	1.65

20. Financial risk management

The Company's activities expose it to a number of risks. These risks and the Company's policies for managing them are as follows:

(a) Market risks

Market risk embodies not only the potential for loss but also the potential for gain.

i) Currency risk

This is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The equivalent Guyana dollar values of assets and liabilities denominated in foreign currencies are as follows:

	2013	2012
	G$'000	G$'000
Cash and cash equivalents	658,420	813,690
Accounts payable	(25,329)	(25,329)
Net exposure to currency risk	633,091	788,361

All foreign currency assets and liabilities are denominated in United States dollars. Management monitors its foreign currency requirements on a regular basis to minimise exposure.

ii) Fair value interest rate risk

This is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risks.

iii) Price risk

This is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not significantly exposed to price risks as its financial instruments are not traded in the market.

The Company has significant exposure to price risk, including the risk of changes in related import tax rates, on future purchases of petroleum products for resale. A change in those prices may alter the gross margin of these products. The Company monitors market prices and adjust selling prices accordingly. The Company has not entered into commodity future, forward and option contracts to manage fluctuations in prices of anticipated purchases.

20. Financial risk management continued

(b) Credit Risk

This is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The financial instruments exposed to credit risks are as follows:

	2013 G$'000	2012 G$'000
Trade and other receivables	738,360	896,095
Taxes recoverable	-	119,381
Cash and cash equivalents	3,745,338	4,955,459
	4,483,698	5,970,935
Defined benefit liability	(84,151)	(58,727)
Accounts payable	(1,880,024)	(2,095,637)
Taxes payable	(58,297)	(236,752)
Dividends payable	-	-
Net exposure to credit risk	2,461,226	3,579,819

The primary source of credit risk is trade and other receivables. Management monitors this source of risk and ensures that appropriate action, such as legal action, is taken to protect the company. Impairment provisions are established for balances, other than that owed by Government or Government agencies and corporation, for which management believes there is insignificant risk of non-recovery. Cash and cash equivalents are not a major source of credit risk as the counter-parties are mainly regulated financial institutions with no known liquidity problems.

(c) Liquidity risk

This is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

All liquid assets and liabilities mature within one year of the balance sheet date.

(d) Cash flow interest rate risk

This is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The company is not significantly exposed to such risks.

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21. Fair value of financial assets and liabilities

The fair values of financial assets and liabilities not carried at fair value in the financial statements are estimated to approximate their carrying values.

22. Related party transactions and balances

	Transactions		Due (to)/from	
	2013	2012	2013	2012
	G$'000	G$'000	G$'000	G$'000
Sale of goods				
Entities wholly or partly owned by the Government of Guyana	995,134	1,602,129	52,856	336,096
Government agencies	2,667,450	2,338,094	20,650	40,436
Other income				
Entities wholly or partly owned by the Government of Guyana	251,174	201,083	113,869	118,517

Directors emoluments		2013	2012
		G$'000	G$'000
Keshav Mangal	- Chairman	1,038	1,065
Neermal Rekha	- Director	120	117
Oscar Phillips	- Director	117	126
Lance Carberry	- Director	108	105
Harryram Parmesar	- Director	132	141
Hubert Rodney	- Director	108	111
		1,623	1,665

	2013	2012
23. Commitments and contingencies	**G$'000**	**G$'000**

Operating lease commitments

At the balance sheet date, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2013	2012
Within one year	-	5,658
Two to five years	-	11,316
Total	-	16,974

Operating lease payments represent rentals of ocean vessels. Charges are negotiated on a monthly basis.

Capital commitments

	2013	2012
Capital Expenditure authorised by the Directors but not contracted for	-	12,208

Contingent liabilities

The Company is a plaintiff in several litigation matters with defaulting customers and others. The Company is also a defendant in litigation. The outcome of these and the Company's liability, if any, cannot be determined at this time.

Castrol