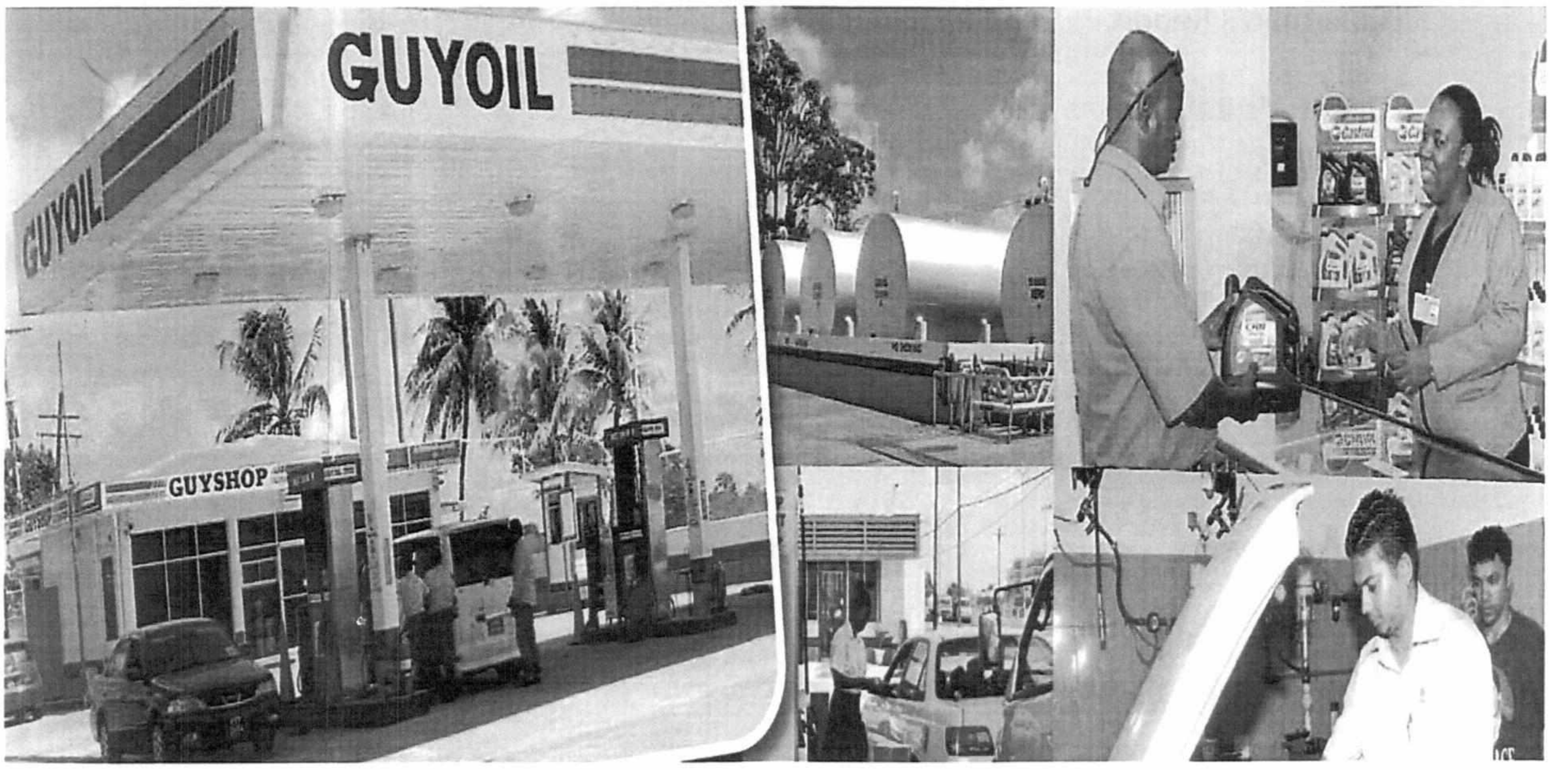

The Guyana Oil Company Limited
Annual Report - 2014

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THE GUYANA OIL COMPANY LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the thirty-nine (39th) Annual General Meeting of The Guyana Oil Company Limited will be held on Thursday 17th December, 2015 at 16:00 hours (4:00 p.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 31st, 2014 and the Reports of the Directors and Auditors thereon;

2. To authorize 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

Lesley Benjamin

....

Ms. Lesley V. Benjamin
Company Secretary/Legal Officer

Registered Office:
191 Camp Street
Georgetown

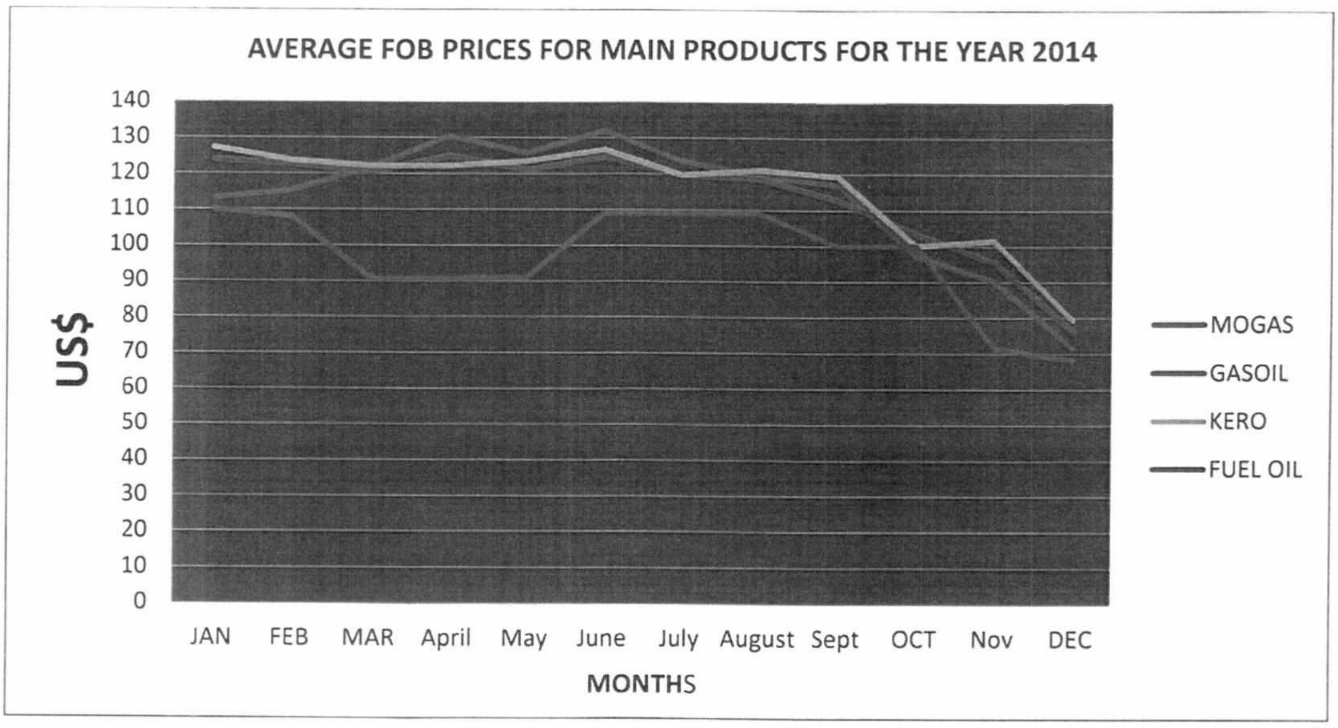
CHAIRMAN'S REPORT

INTRODUCTION

I am pleased to present the Chairman's Report and Audited Financial Statements for the year ended 31st December, 2014.

The Company's business involves the purchase, shipping, storage, distribution and sale of motor gasoline, gasoil, kerosene, fuel oil, Castrol lubricants, miscellaneous automotive products and bituminous products. The Guyana Oil Company Limited has the largest distribution network in the petroleum business in Guyana, comprising thirty-eight (38) Dealer-Owned and eight (8) Company-Owned Service Stations. These are supplied from our Terminals at Providence (Region IV) and Heathburn (Region VI) along with our Depot at Adventure (Region II).

The prices of imported petroleum fuels in Guyana are dependent on the vagaries of international prices for refined petroleum products, for example, in 2014, Acquisition prices for refined petroleum products ranged between US$70.41/bbl and US$129.74/bbl, with an average of US$100.08/ bbl. In addition, there is aggressive domestic competition from the two (2) internationally active competitors and, particularly in Guyana's border areas, the prevalence of smuggled fuel.



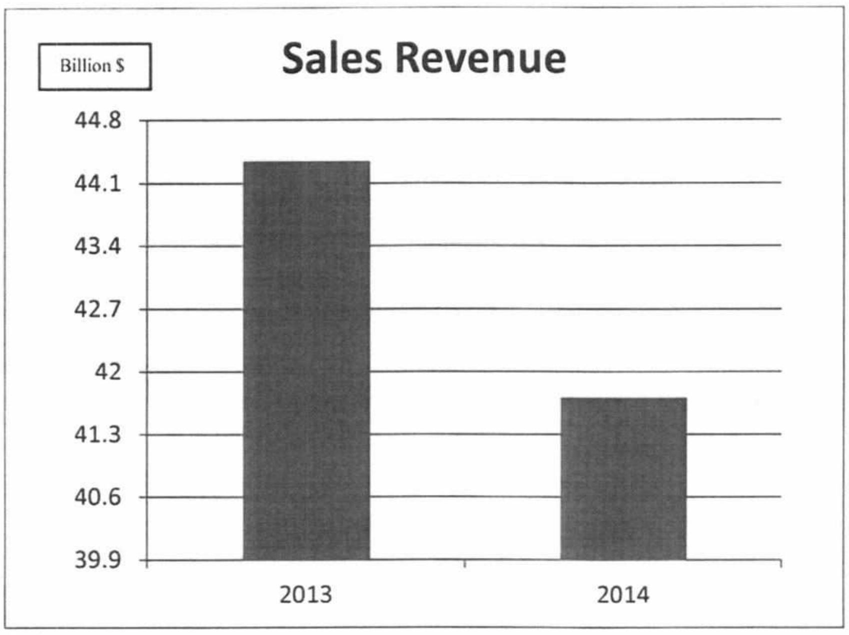
The major portion of our supply of refined petroleum products in 2014 were obtained under the PetroCaribe Agreement from the Venezuelan refinery in Curacao, along with spot purchases from the Trinidad and Tobago refinery.

Despite the challenges, Guyoil continues to perform the function of stabilizing the prices of petroleum fuel products in the domestic market place, to the benefit of the consuming public and industry.

PERFORMANCE HIGHLIGHTS

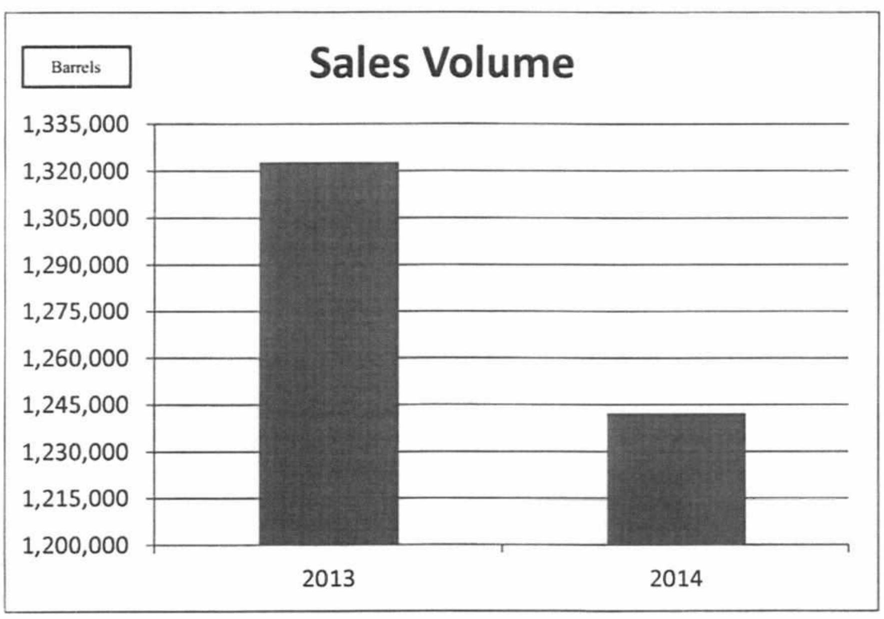
Sales Revenue

In 2014 the value of sales was $41.708B compared to $44.340B in 2013, a decrease of $2.632B or 5.94%. The cost of sales was $37.607B compared to $41.484B in 2013, a decrease of $3.877B or 9.35%.

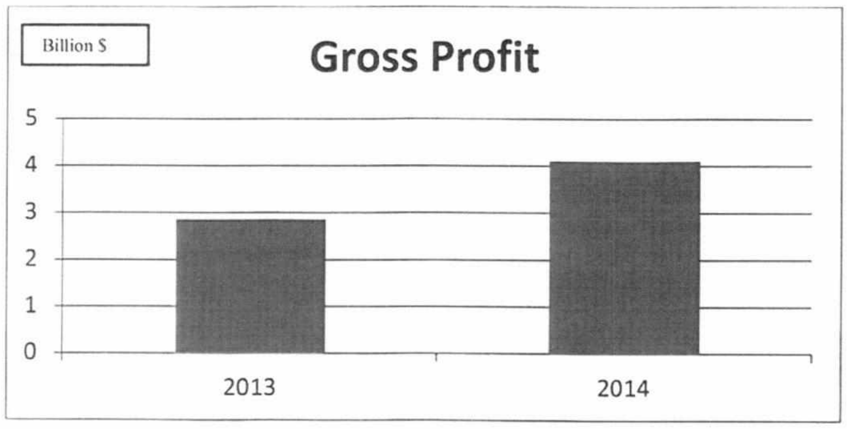


Sales Volume

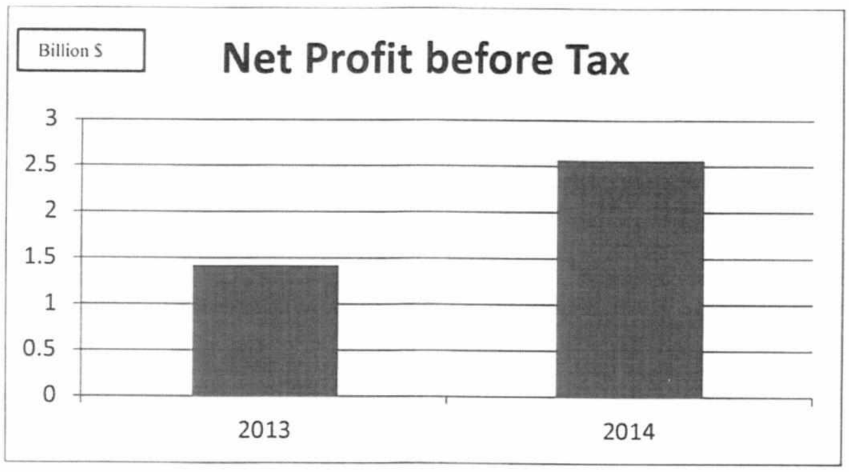
The volume sales achieved was 1,242,158 bbls compared to 1,322,907 bbls in 2013, a decrease of 80,749 bbls or 6.10 %.



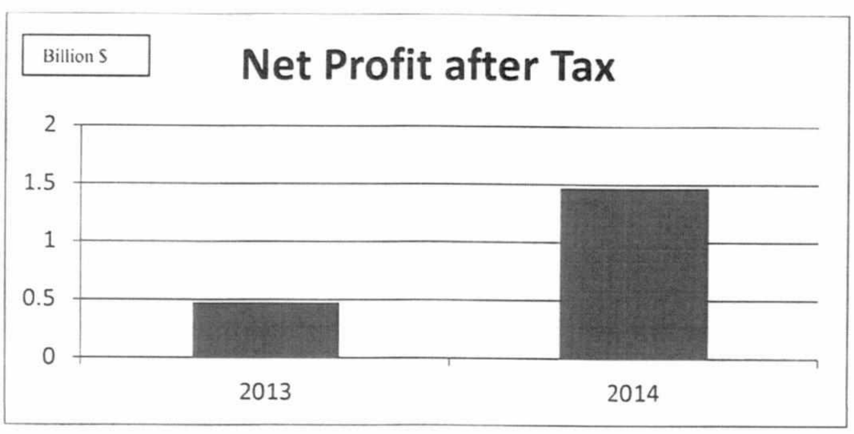
Gross Profit
Gross profit achieved in 2014 was $4.101B compared to $2.857B in 2013, an increase of $1.244B or 43.54%.



Net Profit before Tax
Net profit before taxation for 2014 was $2.569B compared to $1.418B in 2013, an increase of $1.151B or 81.17%.



Net Profit after Tax
Net profit after taxation was $1.470B compared to $0.474B in 2013, an increase of $0.996B or 210.13%.



DISCUSSION ON FINANCIAL PERFORMANCE
While the sales volume in 2014 was less than 2013 Gross Profit and Net Profit in 2014 were higher than in 2013. The Company was required to pay Corporation Tax at 2% of Turnover instead of 40% of Net Profit. *Had the company paid Corporation tax at 40 % of Net Profit total taxation for 2014 would have been $555,821,048 compared to $886,801,100 as the consequence of paying 2% of Turnover.*

CONTRIBUTION TO COMMUNITY
During the year the Company had contributed $1.25M to community based organizations and institutions involved in sports, education & culture, religious and charitable work.

MANAGEMENT AND STAFF
Management and staff faced many serious challenges in 2014. However, we remain committed and determined to offer our customers the benefit of continuing improvements of the quality of our services, 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, which, in spite of significantly higher prices than the competition, our emphasis on the superior quality of the Castrol products has enabled the company to maintain its market share of the lubricant business.

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 2014. Sale of Avjet fuel commenced to Caribbean Aviation Maintenance Services (CAMS) at Ogle Airport.

INDUSTRIAL RELATIONS
Industrial relations continued to be stable and cordial during the year. Employees received a salary increase of 5% across the board, retroactive to January 2014. 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. During the year some 1,064 man hours of in-house and external training were conducted. Staff attended training programmes on the technical aspects of the management of the Avjet product, Supervisory Management, Customer Service, marketing and product knowledge, Occupational Health and Safety, and dealing with HIV in the work-place environment.

EXPANSION AND FUTURE PROJECTS
During the year the Company continued with its expansion program. Capital expenditure for the year was $629.015 M. The first phase of the company's Avjet project concluded with the erection of an Avjet fuel storage and handling facility at the Providence terminal

The second phase of the company's Avjet project involved the installation of an Avjet fuel handling facility at the CJIA in 2014.

The Company's strategy for improving its profitability by focusing on its retail business through the upgrading and modernization our Service Stations began with the Regent Street station in 2013. This programme continued in 2014 with the remodeling of the Providence service station and the Heathburn Station to increase fuel storage, dispensing capacity and enabling enhanced vehicle throughput.

CORPORATE GOVERNANCE

The Board of Directors is committed to good Corporate Governance. The Company's Corporate Governance Policies conform to internationally accepted standards 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 and Audit Committee and the Tender Board Committee of the Board were active and contributed to the prudent management of the Company's affairs.

OUTLOOK FOR 2015

While it is expected that 2015 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. This would result in high prices for refined products.

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 to 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, the Honorable Minister of Finance, and his staff for their support and guidance during 2014.

Dr. Keshav Mangal
Chairman - Board of Directors

REPORT OF THE DIRECTORS – 2014

The Directors take pleasure in submitting their Annual Report, together with the Audited Financial Statements for the year ended December 31st, 2014.

1. SALES AND PROFITABILITY

Revenue for the year was $41.708 Billion compared to $44.340 Billion for the preceding year, a decrease of $2.632 Billion or 5.94%.

Gross Profit for the year was $4.101 Billion compared to $2.857 Billion for the previous year, an increase of $1.244 Billion or 43.54%.

Net Profit for the year after taxation amounted to $1.470 Billion compared to $0.474 Billion for 2013, an increase of $0.966 Billion or 210.13%.

2. DIVIDENDS

Confirmation of the Interim Dividend of $200,000 Million.

Confirmation of the Interim Dividend as total Dividends for 2014.

3. CAPITAL EXPENDITURE

Capital Expenditure for the year amounted to $629.015 Million categorized as follows:-

	$Million
(a) Land and Buildings	--
(b) Plant, Machinery & Equipment	8.588
(c) Office Furniture & Fittings	26.394
(d) Motor Vehicles	--
(e) Construction Work-in-progress	594.033
	629.015

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 2014:-

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

5. DIRECTOR'S INTEREST

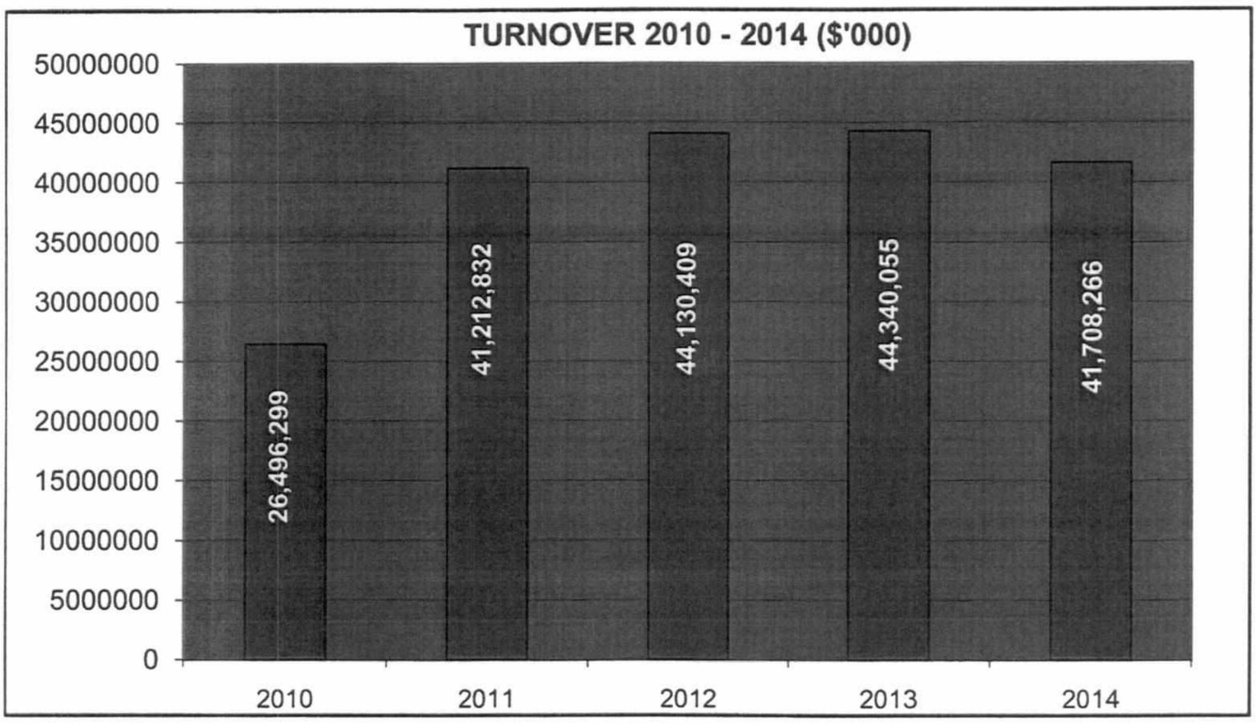
Members of the Board of Directors do not hold any Shares in the Company. No Director has any service contract with the Company.

6. AUDITORS

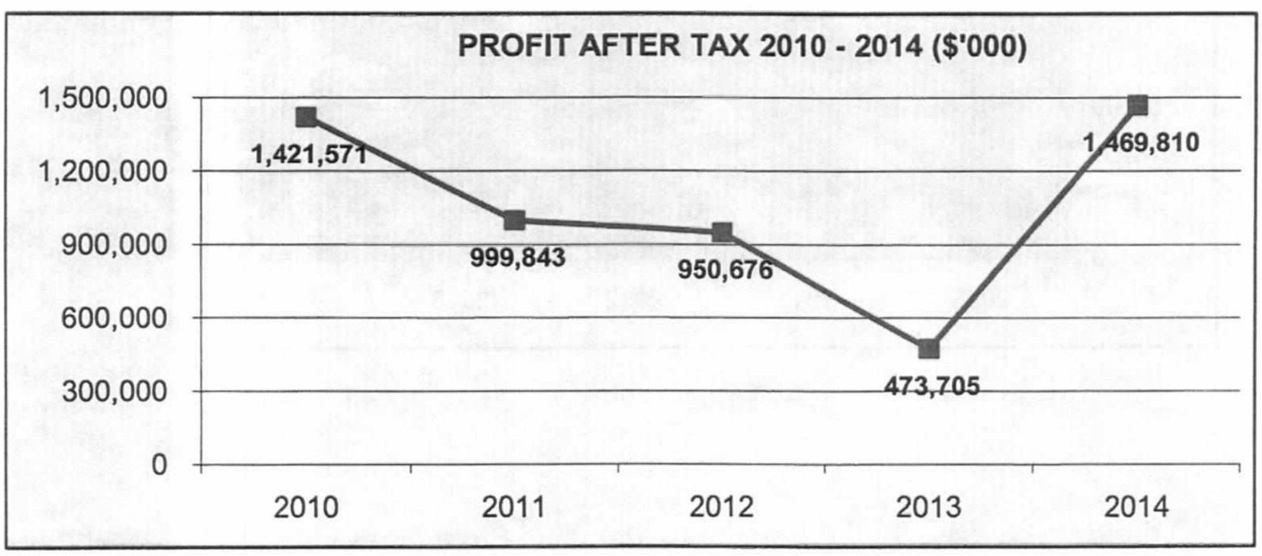
In accordance with the Audit Act 2004, the Audit Office of Guyana, the Auditor of the Company, conducted the Audit for 2014.

TURNOVER 2010 - 2014 ($'000)

Year	2010	2011	2012	2013	2014
Turnover ($'000)	26,496,299	41,212,832	44,130,409	44,340,055	41,708,266



Year	2010	2011	2012	2013	2014
Profit after Tax ($'000)	1,421,571	999,843	950,676	473,705	1,469,810



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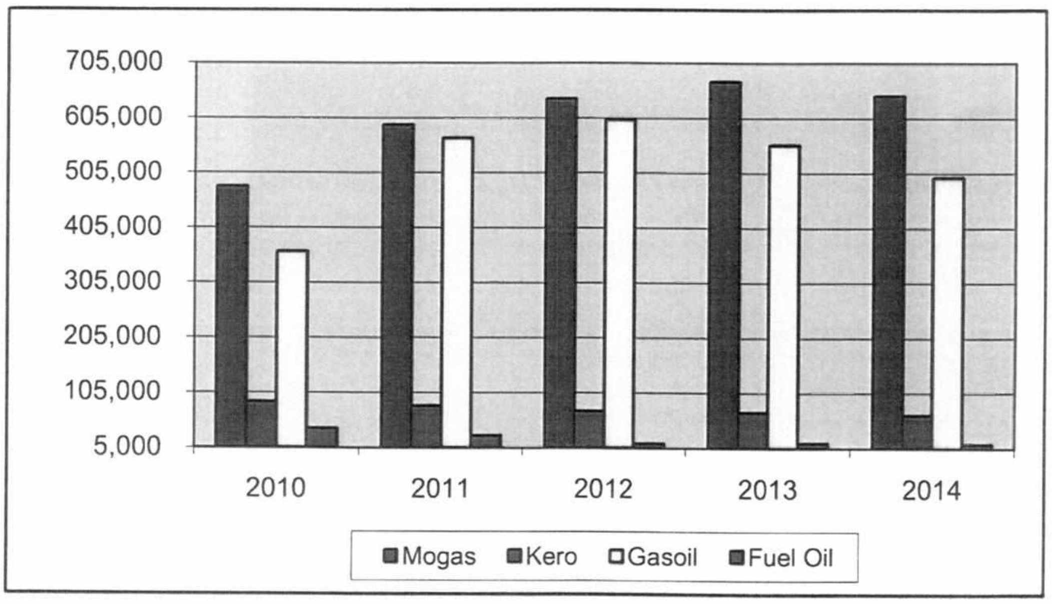
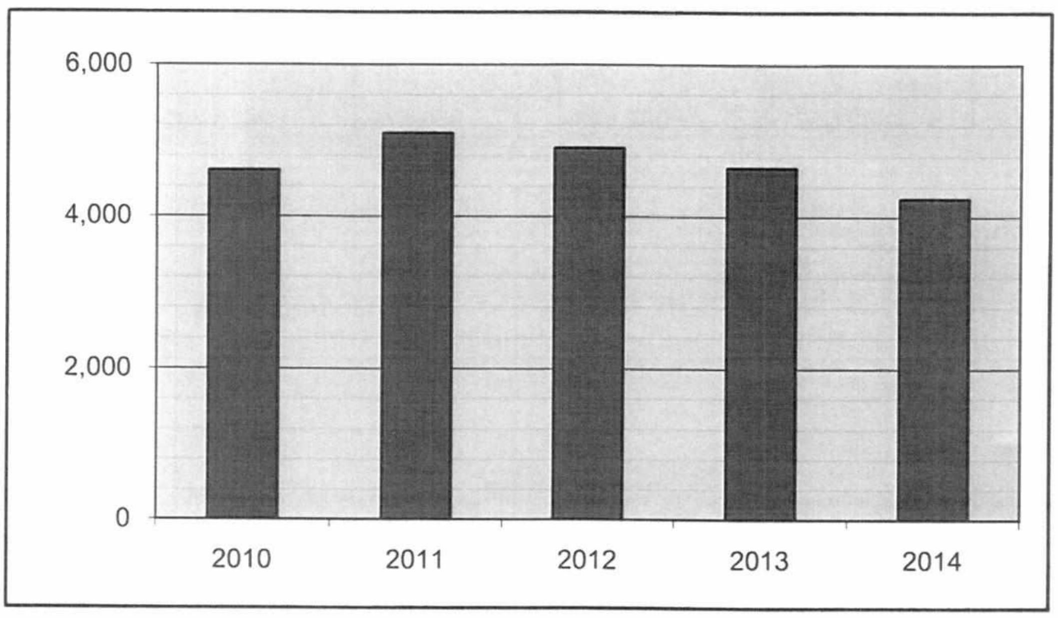
CHARTS OF VOLUMES 2010- 2014

Year	Mogas	Kero	Gasoil	Fuel Oil
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
2014	645,437	65,341	496,889	12,453

Year	Lubes
2010	4,611
2011	5,094
2012	4,900
2013	4,642
2014	4,238





LUBES

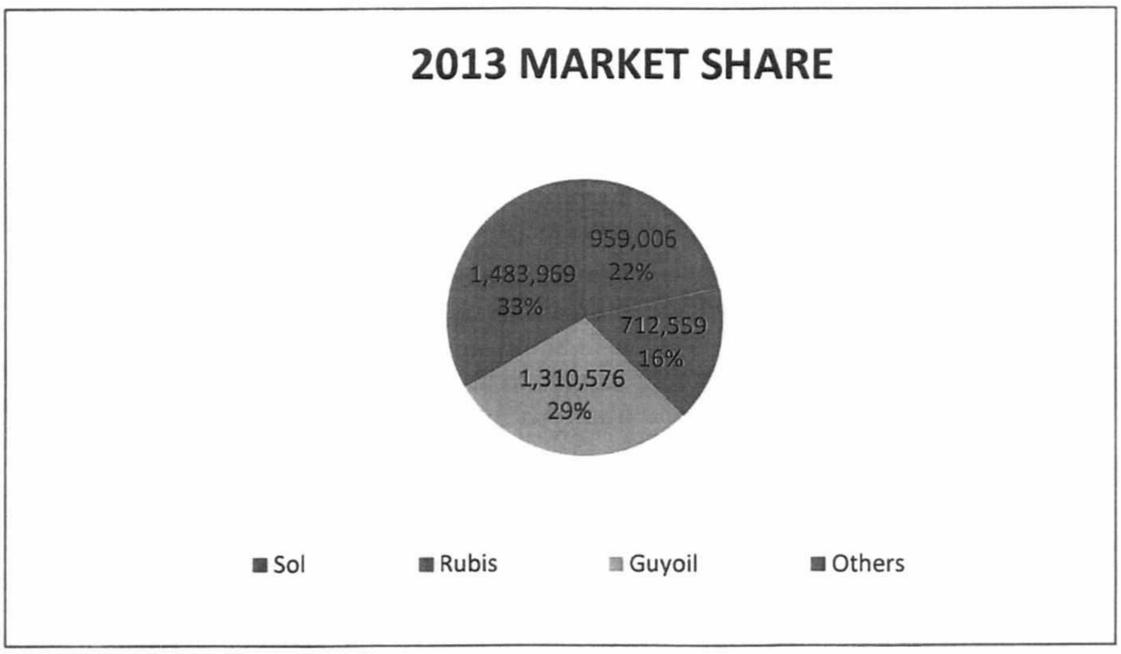
MARKET SHARES IN 2013 Vs 2014

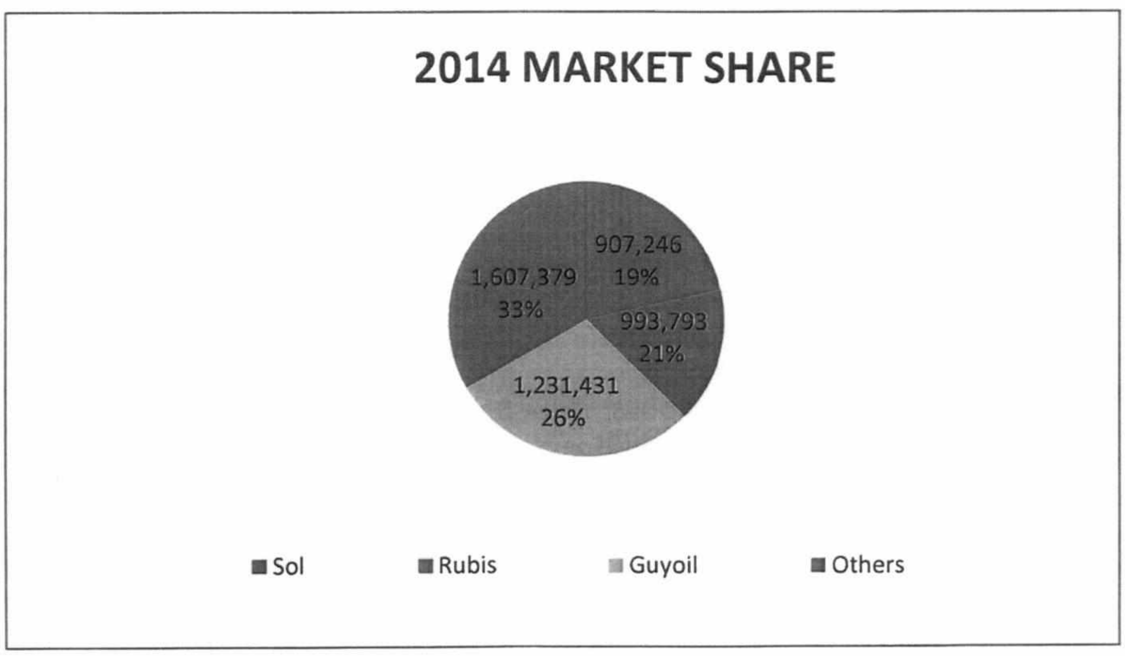
2013

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**

2014

Company	Bbl	Share %
Sol	907,246	19
Rubis	993,793	21
Guyoil	1,231,431	26
Others	1,607,379	34
	4,727,584	**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: 30/2015

28 April 2015

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 2014

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 2014, the statement of comprehensive income, 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 my 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 of the financial position of Guyana Oil Company (GUYOIL) as at 31 December 2014, 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, 2014

	Notes	2014 G$'000	2013 G$'000
ASSETS			
Non-current assets			
Property, plant & equipment	4	2,526,089	2,137,642
Deferred tax assets	5	44,463	24,802
		2,570,552	2,162,444
Current Assets			
Inventories	6	982,048	2,279,954
Trade and other receivables	7	1,448,651	738,360
External payment deposits	8	107	107
Cash and cash equivalents	9	3,669,565	3,745,338
Total current assets		6,100,371	6,763,759
TOTAL ASSETS		8,670,923	8,926,203
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	10	575	575
Capital reserves	11	775	775
Retained earnings		8,172,191	6,902,381
		8,173,541	6,903,731
Non-current liabilities			
Defined benefit liability	12	119,462	84,151
Current liabilities			
Accounts payable	13	144,427	1,880,024
Taxes payable		233,492	58,297
		377,919	1,938,321
TOTAL EQUITY AND LIABILITIES		8,670,923	8,926,203

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, 2014

	Notes	2014 G$'000	2013 G$'000
Revenue	14	41,708,266	44,340,055
Cost of sales		37,606,814	41,483,526
Gross profit		**4,101,452**	**2,856,529**
Expenses			
Administrative		566,168	450,186
Operating		607,868	642,632
Marketing		437,303	394,167
Total expenses		**1,611,338**	**1,486,985**
Operating profit		**2,490,114**	**1,369,544**
Other income	16	64,161	30,262
Interest receivable		14,331	18,364
Profit before taxation		**2,568,606**	**1,418,170**
Taxation	17	1,098,796	944,465
Profit after taxation		**1,469,810**	**473,705**
Earnings per share (in dollars)	18	2.56	0.82

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, 2014

	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	7,428,676	7,430,026
Net profit for the year		-	-	473,705	473,705
Dividends				(1,000,000)	(1,000,000)
Balance at December 31, 2013		575	775	6,902,381	6,903,731
Net profit for the year		-	-	1,469,810	1,469,810
Dividends		-	-	(200,000)	(200,000)
Balance at December 31, 2014		575	775	8,172,191	8,173,541

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, 2014

	2014 G$'000	2013 G$'000
Cash flows from operating activities		
Net profit before taxation	2,568,606	1,418,170
Adjustments for:		
Interest receivable	(14,331)	(18,364)
Depreciation	238,900	196,826
(Gain)/loss on disposal of property, plant & equipment	(1,406)	3,923
Operating profit before changes in working capital	**2,791,768**	**1,600,555**
Decrease/(Increase) in inventories	1,297,906	(410,856)
Decrease(Increase) in trade and other receivables	(710,291)	157,735
(Decrease)/Increase in trade and other payables	(1,735,597)	(215,613)
Increase/(decrease) in defined benefit liability	35,311	25,424
Cash generated from operations	**1,679,098**	**1,157,245**
Taxes paid	(943,262)	(998,238)
Net cash flows generated from operating activities	**735,836**	**159,007**
Cash flows from investing activities		
Purchase of property, plant and equipment	(629,015)	(589,762)
Interest received	14,331	18,364
Proceeds from sale of property, plant and equipment	3,074	2,270
Adjustment - Investment exchanged for Property	-	200,000
Net cash used in investing activities	**(611,610)**	**(369,128)**
Cash flows from financing activities		
Dividend paid	(200,000)	(1,000,000)
Net cash used in financing activities	**(200,000)**	**(1,000,000)**
Net cash inflow for the year	**(75,773)**	**(1,210,121)**
Cash and cash equivalents at January 1, 2014	3,745,338	4,955,459
Cash and cash equivalents at December 31, 2014	**3,669,565**	**3,745,338**
Analysis of cash and cash equivalents as stated in the Balance Sheet:		
Cash on Hand	2,822	2,822
Cash on Deposit	3,666,743	3,742,516
Cash and cash equivalents as per balance sheet	3,669,565	3,745,338

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 191 Camp 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, 2015.

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). Deprecation 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**

(i) **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**

	Land and Buildings	Plant, Machinery & Equipment	Office Furniture & fittings	Motor Vehicles	Construction Work-in-Progress	Total
	G$'000	G$'000	G$'000	G$'000	G$'000	G$'000
Cost/valuation						
At January 01,	1,102,521	1,442,997	213,049	429,083	257,654	3,445,304
Additions	-	8,588	26,394	-	594,033	629,015
Disposals	(5,748)	(8,768)	(10,699)	(6,250)	-	(31,465)
Transfers	128,627	131,496	-	125,018	(385,141)	-
At December 31,	1,225,400	1,574,313	228,744	547,851	466,546	4,042,854
Depreciation						
At January 01,	246,155	574,081	127,391	360,035	-	1,307,662
Charges	70,267	104,630	34,618	29,384		238,899
Disposals	(5,420)	(8,580)	(9,546)	(6,250)		(29,796)
At December 31,	311,002	670,131	152,463	383,169	-	1,516,765
Net book value						
At December 31,	914,398	904,182	76,281	164,682	466,546	2,526,089
At January 01,	856,366	868,916	85,658	69,048	257,654	2,137,642

Included in land and buildings is land costing $1,320,000 (2013 - $1,320,000). Fixed assets vested in the company upon incorporation were recorded at the net book value of the previous owner.

	2014	2013
5. Deferred tax assets	G$'000	G$'000
Deferred tax assets are attributable to the following:		
Property, plant and equipment:		
At January 1,	24,802	30,103
Movement during the year	19,661	(5,301)
At December 31,	44,463	24,802

6. Inventories

	2014	2013
Bulk petroleum	645,123	1,864,711
Lubricants	197,932	280,947
Spares, materials and supplies	118,505	113,489
Other	20,488	20,807
	982,048	2,279,954

7. Trade and other receivables

	2014	2013
Trade debtors	720,549	699,024
Other debtors	5,853	763
Prepayments	770,806	87,131
	1,497,208	786,918
Provision for bad and doubtful debts	(48,558)	(48,558)
	1,448,651	738,360

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.

9. Cash and cash equivalents	2014 G$'000	2013 G$'000
(a) Cash on hand - local currencies	2,822	2,822
(b) Demand deposits	750,333	708,870
(c) Savings deposits	2,223,641	2,249,096
(d) Term deposits	127,540	126,130
(e) Foreign currency balances	565,229	658,420
Total	3,669,565	3,745,338

(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 1.45 % (2013 - 2.5%). There is no date of maturity.
(d) This represents short term investments with interest at an average interest rate of 1.75 % 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.

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, (2013 - 214). The last actuarial valuation was done at December 31, 2012.

	2014 G$'000	2013 G$'000
Net Liability in Statement of Financial Position		
Present Value of Defined benefit obligations	637,710	565,768
Fair value of plan assets	(518,248)	(481,617)
Net Defined benefit liability/(Asset)	119,462	84,151
Expense recognised in the Statement of Comprehensive Income		*(Restated)*
Current service cost	51,439	51,164
Net Interest on Net defined benefit Liability/(Asset)	3,023	2,939
Net pension cost	54,462	54,103

The 2013 figures are restated due to the inadvertent interchange of the figures in the 2013 audited Financial Statements

	2014	2013
Movement in Present Value of Defined Benefit Obligation		
Defined benefit obligation at start of year	565,768	539,111
Current Service Cost	51,439	51,164
Interest Cost	27,823	26,486
Members Contribution	13,324	11,758
Re-measurements		
- Experience adjustments	(1,780)	(43,739)
Benefits Paid	(18,864)	(19,012)
Defined benefit obligation at end of year	637,710	565,768
Movement in Fair Value of Plan Assets		
Fair Value of Plan Assets at start of year	481,617	459,431
Interest Income	24,800	23,547
Return on Plan Assets, excluding interest Income	(17,285)	(24,691)
Company Contribution	34,656	30,584
Members Contribution	13,324	11,758
Benefits Paid	(18,864)	(19,012)
Fair Value of Plan Assets at end of year	518,248	481,617
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

13. Accounts payable	2014 G$'000	2013 G$'000
Trade payables	124,939	1,871,963
Accruals and other payables	19,488	8,061
Total	144,427	1,880,024

14 Revenue

Gasoline	21,935,494	22,455,606
Gasoil	16,097,358	18,358,674
Kerosene	1,902,200	2,023,470
Avjet	361,883	35,409
Fueloil	312,407	360,780
Lube oil	703,201	760,690
Lube grease	23,881	28,372
Bitumen	319,275	270,345
Tyres, batteries & accessories	52,567	46,709
Total	41,708,266	44,340,055

15 Expenses by nature

Auditor's remuneration	4,218	5,142
Employment costs including directors' fees	628,494	579,285
Advertising	21,602	23,720
Bad debts	92,825	20,428
Depreciation	238,900	196,827
Electricity and telephone	66,710	70,040
Exchange losses	(3,206)	(8,926)
Freight & other charges	105,789	93,818
Legal & professional fees	21,306	33,548
License & others	3,664	3,588
Rental	8,518	12,137
Repairs & maintenance	140,448	168,263
Travel & accommodation	6,401	5,505
Duties and taxes	-	-
Cost of inventories sold	37,606,814	41,483,526
Other	275,670	283,610
	39,218,152	42,970,511

The Guyana Oil Company Limited
(wholly owned subsidiary of National Industrial and Commercial Investments Limited)
Notes to the financial statements
For the year ended December 31, 2014

	2014 G$'000	2013 G$'000
16 Other income		
Subletting of tanker		
Income	258,877	249,259
Cost associated with subletting tanker	241,604	258,017
	17,273	(8,758)
Other	46,888	39,020
Total	64,161	30,262

17 Taxation

The tax charge is made up as follows:

	2014 G$'000	2013 G$'000
Current year		
Corporation tax	1,056,096	886,764
Less - Overprprovision 2013	-	-
	1,056,096	886,764
Property tax	62,361	52,400
	1,118,457	939,164
Deferred tax		
(Origination)/reversal of temporary differences on fixed assets	(19,661)	5,301
Total	1,098,796	944,465

Reconciliation of effective tax rate

	%	2014 G$'000	%	2013 G$'000
Profit before tax		2,568,606		1,418,170
Corporation tax at the enacted rate	40.00%	1,027,442	40.00%	567,268
Income not subject to Corporation taxes	(0.56%)	(14,331)	(1.29%)	(18,364)
Other adjustments in arriving at taxable income	0.91%	23,324	6.41%	90,970
Property taxes	2.43%	62,361	5.30%	75,105
Capital Gains tax	0.00%	-	0.08%	1,200
Current period tax charge	42.78%	1,098,796	50.50%	716,179

18 Earnings per share

	2014	2013
Net profit after taxation	1,469,810	473,705
Number of shares	575,000	575,000
Earnings per share in dollars	2.56	0.82

19 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:

	2014	2013
	G$'000	G$'000
Cash and cash equivalents	565,229	658,420
Accounts payable	(34,408)	(25,329)
Net exposure to currency risk	**530,821**	**633,091**

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.

19 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:

	2014 G$'000	2013 G$'000
Trade and other receivables	1,448,651	738,360
Cash and cash equivalents	3,669,565	3,745,338
	5,118,216	4,483,698
Defined benefit liability	(119,462)	(84,151)
Accounts payable	(144,427)	(1,880,024)
Taxes payable	(233,492)	(58,297)
Net exposure to credit risk	4,620,835	2,461,226

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.

20 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.

21 Related party transactions and balances

	Transactions		Due (to)/from	
	2014	2013	2014	2013
	G$'000	G$'000	G$'000	G$'000
Sale of goods				
Entities wholly or partly owned by the Government of Guyana	1,639,907	995,134	68,259	52,856
Government agencies	2,783,555	2,667,450	(70,730)	20,650
Other income				
Entities wholly or partly owned by the Government of Guyana	258,916	251,174	13,980	113,869

Directors emoluments

		2014	2013
		G$'000	G$'000
Keshav Mangal	- Chairman	996	1,038
Neermal Rekha	- Director	114	120
Oscar Phillips	- Director	123	117
Lance Carberry	- Director	105	108
Harryram Parmesar	- Director	138	132
Hubert Rodney	- Director	102	108
		1,578	1,623

	2014	2013
22 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:

	2014	2013
Within one year	1,500,000	-
Within two years	1,500,000	-
Total	3,000,000	-

Operating lease payments represent rentals of ocean vessels. Charges are negotiated every two (2) years.

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.

23 Key Management Personnel

The company has five (5) senior managers whose annual emoluments for the year 2014 was $ 41, 758,750.

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Castrol