

Financial
Statements of the
Guyana Oil
Company for the
year ended 31
December 2015



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: 28/2016

29 April 2016

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 2015

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 2015, 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.

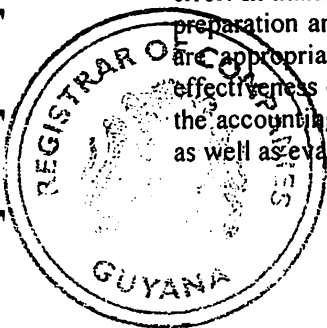
Management's responsibility for the financial statements

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.

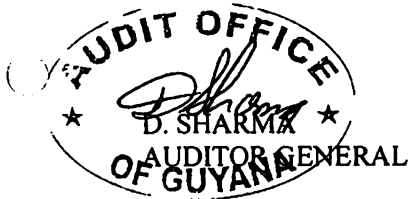
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.



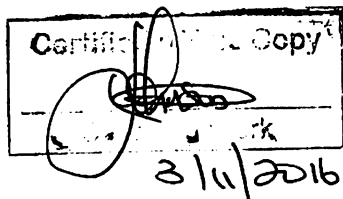
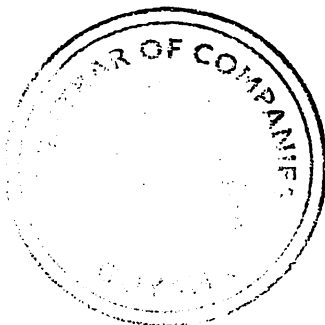
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA




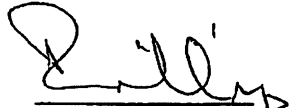
The Guyana Oil Company Limited
 (wholly owned subsidiary of National Industrial and Commercial Investments Limited)
 Statement of Financial Position
 As at December 31, 2015

	Notes	2015 G\$'000	2014 G\$'000
ASSETS			
Non-current assets			
Property, plant & equipment	4	1,884,391	2,526,089
Deferred tax assets	5	37,090	44,463
Investment in Subsidiary		100	
		<u>1,921,581</u>	<u>2,570,552</u>
Current Assets			
Inventories	6	1,093,821	982,048
Trade and other receivables	7	1,100,723	1,448,651
Related Party	8	821,326	
External payment deposits		-	107
Cash and cash equivalents	9	5,357,660	3,669,565
Total current assets		<u>8,373,530</u>	<u>6,100,371</u>
TOTAL ASSETS		<u>10,295,111</u>	<u>8,670,923</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	10	575	575
Capital reserves	11	775	775
Retained earnings		8,486,605	8,172,191
		<u>8,487,955</u>	<u>8,173,541</u>
Non-current liabilities			
Defined benefit liability	12	161,658	119,462
Current liabilities			
Accounts payable	13	100,673	144,427
Dividend Payable		1,000,000	
Taxes payable		544,825	233,492
		<u>1,645,498</u>	<u>377,919</u>
TOTAL EQUITY AND LIABILITIES		<u>10,295,111</u>	<u>8,670,923</u>

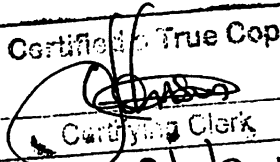
The notes on pages 8 to 19 form an integral part of these financial statements.

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


 Director


 Director

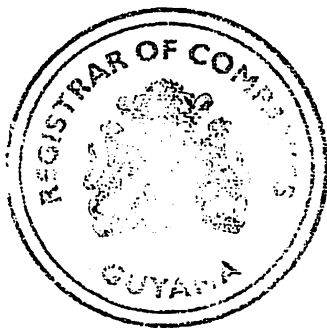


Certified True Copy

 Certifying Clerk
 3/11/2016

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, 2015

	Notes	2015 G\$'000	2014 G\$'000
Revenue	14	36,406,699	41,708,266
Cost of sales		31,130,416	37,606,814
Gross profit		5,276,283	4,101,452
Expenses			
Administrative		563,349	566,168
Operating		528,523	607,868
Marketing		449,230	437,303
Total expenses		1,541,102	1,611,338
Operating profit		3,735,181	2,490,114
Other income	15	130,269	64,161
Interest received	16	25,766	14,331
Profit before taxation		3,891,216	2,568,606
Taxation	17	1,576,802	1,098,796
Profit after taxation		2,314,414	1,469,810
Earnings per share (in dollars)	18	4.03	2.56

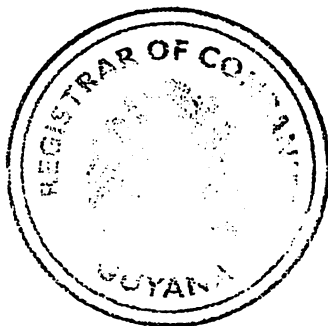
The notes on pages 8 to 19 form an integral part of these financial statements.



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, 2015

Notes	Stated capital (note 10) G\$ '000	Capital reserves (note 11) G\$ '000	Retained earnings G\$ '000	Total G\$ '000
Balance at January 01, 2014: - as previously stated	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	<u>575</u>	<u>775</u>	<u>8,172,191</u>	<u>8,173,541</u>
Net profit for the year	-	-	2,314,414	2,314,414
Dividends	-	-	(2,000,000)	(2,000,000)
Balance at December 31, 2015	<u>575</u>	<u>775</u>	<u>8,486,605</u>	<u>8,487,955</u>

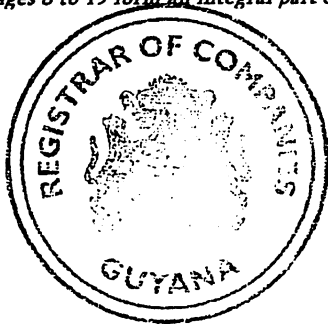
The notes on pages 8 to 19 form an integral part of these financial statements.



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, 2015

	2015 G\$'000	2014 G\$'000
Cash flows from operating activities		
Net profit before taxation	3,891,216	2,568,606
<i>Adjustments for:</i>		
Interest receivable	(25,766)	(14,331)
Depreciation	211,323	238,900
Net Assets Transferred to Subsidiary	655,669	
Investment in Subsidiary	(100)	
External payments Deposit Written Off	107	
(Gain)/loss on disposal of property, plant & equipment	(40,123)	(1,406)
Operating profit before changes in working capital	<u>4,692,326</u>	<u>2,791,768</u>
Decrease/(Increase) in inventories	(111,773)	1,297,906
Decrease(Increase) in trade and other receivables	(473,398)	(710,291)
(Decrease)/Increase in trade and other payables	(43,754)	(1,735,597)
Increase/(decrease) in defined benefit liability	42,196	35,311
Cash generated from operations	<u>4,105,597</u>	<u>1,679,097</u>
Taxes paid	(1,258,096)	(943,262)
Net cash flows generated from operating activities	<u>2,847,501</u>	<u>735,836</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(203,765)	(629,015)
Interest received	25,766	14,331
Proceeds from sale of property, plant and equipment	18,593	3,074
Adjustment - Investment exchanged for Property	-	-
Net cash used in investing activities	<u>(159,406)</u>	<u>(611,610)</u>
Cash flows from financing activities		
Dividend paid	(1,000,000)	(200,000)
Net cash used in financing activities	<u>(1,000,000)</u>	<u>(200,000)</u>
Net cash inflow for the year	<u>1,688,095</u>	<u>(75,773)</u>
Cash and cash equivalents at January 1, 2015	3,669,565	3,745,338
Cash and cash equivalents at December 31, 2015	<u>5,357,660</u>	<u>3,669,565</u>
Analysis of cash and cash equivalents as stated in the Balance Sheet:		
Cash on Hand	2,972	2,822
Cash on Deposit	5,354,688	3,666,743
Cash and cash equivalents as per balance sheet	<u>5,357,660</u>	<u>3,669,565</u>

The notes on pages 8 to 19 form an integral part of these financial statements.



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, 2015

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, 2016.

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.



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, 2015

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
<i>Cost/valuation</i>						
At January 01,	1,225,400	1,574,313	228,744	547,851	466,546	4,042,854
Additions	-	7,219	17,036	-	179,510	203,765
Disposals	(8,383)	(24,344)	(5,431)	(4,495)	-	(42,653)
Transfers-Intercompany		(440,105)	(1,331)	(174,770)	(79,182)	(695,388)
Transfers	250,277	41,491	-	70,612	(362,380)	-
At December 31,	1,467,294	1,158,574	239,018	439,198	204,494	3,508,578
<i>Depreciation</i>						
At January 01,	311,002	670,131	152,463	383,169	-	1,516,765
Charges	81,642	72,463	33,853	23,365	-	211,323
Disposals	(6,711)	(15,875)	(5,069)	(4,495)	-	(32,150)
Transfers-Intercompany		(47,521)	(39)	(24,191)	-	(71,751)
Transfers						
At December 31,	385,933	679,198	181,208	377,848	-	1,624,187
<i>Net book value</i>						
At December 31,	1,081,361	479,376	57,810	61,350	204,494	1,884,391
At January 01,	914,398	904,182	76,281	164,682	466,546	2,526,089

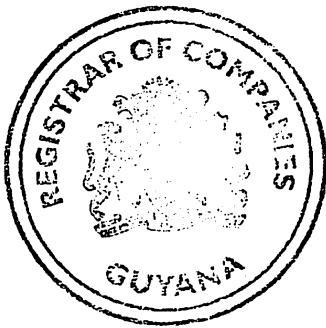
Included in land and buildings is land costing \$1,320,000 (2013 - \$1,320,000). Fixed assets vested in the company upon incorporation were recorded at the net book value of the previous owner.



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, 2015

	2015 G\$'000	2014 G\$'000
5. Deferred tax assets		
Deferred tax assets are attributable to the following:		
<i>Property, plant and equipment:</i>		
At January 1,	44,463	24,802
Movement during the year	(7,373)	19,661
At December 31,	<u>37,090</u>	<u>44,463</u>
6. Inventories		
Bulk petroleum	802,768	645,123
Lubricants	177,128	197,932
Spares, materials and supplies	85,993	118,505
Other	27,932	20,488
	<u>1,093,821</u>	<u>982,048</u>
7. Trade and other receivables		
Trade debtors	407,866	720,549
Other debtors	27,470	5,853
Prepayments	733,120	770,806
	<u>1,168,456</u>	<u>1,497,208</u>
Provision for bad and doubtful debts	<u>(67,733)</u>	<u>(48,558)</u>
	<u>1,100,723</u>	<u>1,448,651</u>
8. Related Party		
Amount due from Guyoil Aviation Services Inc.:	G\$'000 821,326	G\$'000 -

Parties are considered related if (a) one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions, or (b) the party is a member of a key management personnel.



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

	2015 G\$'000	2014 G\$'000
9. Cash and cash equivalents		
(a) Cash on hand - local currencies	2,972	2,822
(b) Demand deposits	2,073,330	750,333
(c) Savings deposits	1,997,188	2,223,641
(d) Term deposits	129,086	127,540
(e) Foreign currency balances	1,155,083	565,229
Total	<u>5,357,660</u>	<u>3,669,565</u>

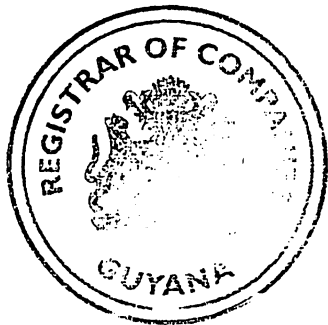
- (a) These are non-interest bearing cash balances with no dates for maturity.
- (b) This represents a non-interest bearing chequing account.
- (c) The weighted average rate of interest for the year was 1.45 % (2013 - 2.5%). There is no date of maturity.
- (d) This represents short term investments with interest at an average interest rate of 1.75 % with varying maturity dates.
- (e) These represent foreign currency accounts with no maturity dates.

	G\$'000	G\$'000
10. Stated capital		
Issued and fully paid: 575,000 ordinary shares	<u>575</u>	<u>575</u>

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.

	2015 G\$'000	2014 G\$'000
<i>Net Liability in Statement of Financial Position</i>		
Present Value of Defined benefit obligations	719,890	637,710
Fair value of plan assets	(558,232)	(518,248)
Net Defined benefit liability/(Asset)	<u>161,658</u>	<u>119,462</u>
 <i>Expense recognised in the Statement of Comprehensive Income</i>		
Current service cost	51,651	51,439
Net Interest on Net defined benefit Liability/(Asset)	4,780	3,023
Net pension cost	<u>56,431</u>	<u>54,462</u>

(Restated)

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

<i>Movement in Present Value of Defined Benefit Obligation</i>		
Defined benefit obligation at start of year	637,710	565,768
Current Service Cost	51,651	51,439
Interest Cost	31,549	27,823
Members Contribution	14,242	13,324
Re-measurements		
- Experience adjustments	(1,645)	(1,780)
Benefits Paid	(13,617)	(18,864)
Defined benefit obligation at end of year	<u>719,890</u>	<u>637,710</u>

<i>Movement in Fair Value of Plan Assets</i>		
Fair Value of Plan Assets at start of year	518,248	481,617
Interest Income	26,769	24,800
Return on Plan Assets, excluding interest Income	(21,464)	(17,285)
Company Contribution	34,054	34,656
Members Contribution	14,242	13,324
Benefits Paid	(13,617)	(18,864)
Fair Value of Plan Assets at end of year	<u>558,232</u>	<u>518,248</u>

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



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, 2015

	2015 G\$'000	2014 G\$'000
13. Accounts payable		
Trade payables	68,218	124,939
Accruals and other payables	32,455	19,488
Total	<u>100,673</u>	<u>144,427</u>
14 Revenue	2015 G\$'000	2014 G\$'000
Gasoline	21,368,364	21,935,494
Gasoil	12,595,265	16,097,358
Kerosene	1,393,717	1,902,200
Avjet	-	361,883
Fueloil	173,797	312,407
Lube oil	669,802	703,201
Lube grease	18,492	23,881
Bitumen	130,198	319,275
Tyres, batteries & accessories	57,064	52,567
Total	<u>36,406,699</u>	<u>41,708,266</u>
15 Other income	2015 G\$'000	2014 G\$'000
Subletting of tanker Income	214,454	258,877
Cost associated with subletting tanker	178,692	241,604
	<u>35,762</u>	<u>17,273</u>
Other	94,507	46,888
Total	<u>130,269</u>	<u>64,161</u>



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, 2015

	2015 G\$'000	2014 G\$'000
16 Interest Received		
Bank Interest - Gross	32,207	17,914
Withholding Tax	(6,441)	(3,583)
Net	<u>25,766</u>	<u>14,331</u>

	2015 G\$'000	2014 G\$'000
17 Taxation		

The tax charge is made up as follows:

<i>Current year</i>			
Corporation tax	1,518,371	1,056,096	
Less - Overprovision 2014	(15,288)	-	
	<u>1,503,083</u>	<u>1,056,096</u>	
Capital Gains Tax Write Back	(577)		
Property tax	67,263		
Less - Overprovision 2014	(340)	62,361	
	<u>1,569,429</u>	<u>1,118,457</u>	
<i>Deferred tax</i>			
(Origination)/reversal of temporary differences on fixed assets	7,373	(19,661)	
Total	<u>1,576,802</u>	<u>1,098,796</u>	

Reconciliation of effective tax rate

Profit before tax		<u>3,891,216</u>		<u>2,568,606</u>
Corporation tax at the enacted rate	40.00%	1,556,486	40.00%	1,027,442
Income not subject to Corporation taxes	(0.66%)	(25,766)	(0.56%)	(14,331)
Other adjustments in arriving at taxable income	0.60%	23,324	0.91%	23,324
Property taxes	1.72%	66,923	2.43%	62,361
Capital Gains tax	(0.01%)	(577)	0.00%	-
Current period tax charge	<u>41.64%</u>	<u>1,620,391</u>	<u>42.78%</u>	<u>1,098,796</u>

	2015 G\$'000	2014 G\$'000
18 Earnings per share		
Net profit after taxation	2,314,414	1,469,810
Number of shares	575,000	575,000
Earnings per share in dollars	<u>4.03</u>	<u>2.56</u>



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:

	2015 G\$'000	2014 G\$'000
Cash and cash equivalents	1,155,083	565,229
Accounts payable	<u>(17,097)</u>	<u>(34,408)</u>
Net exposure to currency risk	<u>1,137,986</u>	<u>530,821</u>

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.

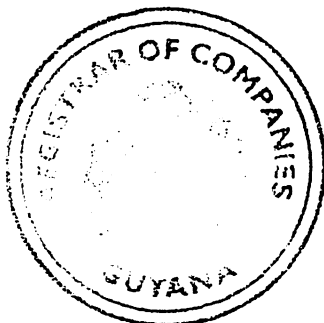
ii) Fair value interest rate risk

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:

	2015 G\$'000	2014 G\$'000
Trade and other receivables	1,100,723	1,448,651
Cash and cash equivalents	5,357,660	3,669,565
	<u>6,458,383</u>	<u>5,118,216</u>
Defined benefit liability	(161,658)	(119,462)
Accounts payable	(100,673)	(144,427)
Taxes payable	(544,825)	(233,492)
Net exposure to credit risk	<u>5,651,227</u>	<u>4,620,835</u>

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.



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, 2015

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	
	2015 GS'000	2014 GS'000	2015 GS'000	2014 GS'000
<i>Sale of goods</i>				
Entities wholly or partly owned by the Government of Guyana	1,115,168	1,639,907	(37,837)	68,259
Government agencies	2,021,799	2,783,555	(146,980)	(70,730)
<i>Other income</i>				
Entities wholly or partly owned by the Government of Guyana	204,869	258,916	13,726	13,980
<i>Directors emoluments</i>				
		2015 GS'000		2014 GS'000 (Jan - Dec.)
<i>(January - June 2015)</i>				
Keshav Mangal - Chairman		479		507
Neermal Rekha - Director		63		57
Oscar Phillips - Director		69		63
Lance Carberry - Director		51		54
Harvram Parmesar - Director		75		69
Hubert Rodney - Director		51		51
		<u>788</u>		<u>801</u>
<i>(July - December 2015)</i>				
Lance Carberry - Chairman		148		51
Oscar Phillips - Director		183		60
Harvram Parmesar - Director		171		69
Keshav Mangal - Chairman		-		489
Neermal Rekha - Director		-		57
Hubert Rodney - Director		-		51
Lawrence Paul - Director		171		-
Berkley Wickham - Director		123		-
Shondel Hope - Director		123		-
Shaundel B. Taylor - Director		183		-
		<u>1,102</u>		<u>777</u>
		<u>1,890</u>		<u>1,578</u>

	2015	2014
	G\$'000	G\$'000

22 Commitments and contingencies

Operating lease commitments

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

Within one year	1,584,766	1,500,000
Within two years	<u>1,584,766</u>	<u>1,500,000</u>
Total	<u>3,169,532</u>	<u>3,000,000</u>

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 2015 was \$ 37,200,582. (2014 - \$ 41,758,750). Two of the managers retired during 2015.

