



## Mandate of the State

### Statutory auditor's report on financial statements

Year ended 31<sup>st</sup> december 2017

#### To the Board of Directors of the National Hydrocarbons Corporation

Dear Board Members,

In fulfilment of the assignment entrusted to us, we hereby present to you our audit report on the annual financial statements of the NHC – Mandate of the State component, for the financial year ended 31<sup>st</sup> December 2017. The annual financial statements comprise the balance sheet, the income statement, the cash flow statement, and the annexed statement. It is the responsibility of the management of NHC to prepare the financial statements. Our responsibility is to issue an opinion on these financial statements based on our audit.

Our audit was carried out according to the International Standards on Auditing (ISA) and the professional standards applicable in Cameroon. It involved tests of controls, sampling methods and other audit procedures we deemed necessary to express an opinion on the true and fair view of the annual financial statements.

The financial statements we audited present the following significant figures:

In million of CFA Francs	2017	2016
Balance-sheet total	976 225	1 093 186
Sales revenue	544 877	501 120
Net profit (before transfers into the public treasury)	275 328	150 920
Net cash	367 027	407 131

#### 1. Confirmation of independence

We confirm that we are independent of the National Hydrocarbons Corporation (NHC – Mandate of the State component), in accordance with the code of ethics for professional accountants by the International Ethics Standard Board for Accountants (IESBA) and we have fulfilled every other ethical requirement by all relevant provisions.

#### 2. Our methodological approach

We audited the accompanying financial statements of the National Hydrocarbons Corporation which present information on the operations under State Mandate. We performed our audit according to the generally accepted standards on audit which require the use of audit procedures that enable us to provide reasonable assurance that the financial statements do not present any material misstatements.

An audit consists in examining by sampling methods, evidence supporting the information contained in the financial statements. It also involves an assessment of the accounting principles applied, the validity of the significant estimates made, and the overall presentation of the financial statements.

We carried out the following audit procedures:

An assessment of the internal controls and procedures at the NHC with the aim of identifying potential risk areas and possible errors within the financial statements on the one hand, and on the other hand, to determine the timing and extent of the samplings to be carried out on the financial statements;

Addressed confirmation letters to third parties in business with the corporation, mainly the banks, clients, suppliers, legal counsels, insurance companies, and partnerships;

Performed our audit of the financial statements after identifying and evaluating the risk of error in every account or group of accounts.

#### 3. Conclusions of our engagement

##### 3.1. Evaluation of the internal control procedures

We carried out an evaluation of the accounting procedures and the internal control system to assess the reliability of the accounting entries and financial information. This was done with the aim of determining the nature, extent and timing of the audit procedures required to issue our opinion on the annual financial statements. The assessment did not necessarily identify all the weaknesses that a specific and more detailed study would reveal.

Following our evaluation of the internal control system, we did not find any significant weakness.

##### 3.2 Control of accounts

Our audit of the financial statements for the year ended 31<sup>st</sup> December 2017 did not reveal any material misstatements.

##### 3.3 Opinion on the financial statements

We believe that the audit procedures we used provide a suitable basis for the opinion presented here below.

In our opinion, the annual financial statements present fairly, in all material respect, the financial position of the company at December 31<sup>st</sup>, 2017, and its financial performance and its cash flows for the year then ended in accordance with accounting principles prescribed by the OHADA Uniform Act on organization and harmonization of accounting systems of commercial companies member States and with accounting rules and methods generally applied by companies operating in oil and gas activities at the exploration/production stage.

**The Statutory Auditor  
CAMEROON AUDIT CONSEIL**

**Jérôme MINLEND**

Douala, 11<sup>th</sup> july 2018