

31 DECEMBER 2022

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GENERAL INFORMATION

BOARD OF DIRECTORS

| | |
|--------------------------------|--------------------------|
| Stella Wilson | -Board Chairperson |
| Benonita B. Bismarck | -Chief Executive Officer |
| Dr. Kwame Asamoah Adam | -Member |
| Sandra Opoku | -Member |
| Victoria Maami Ekuah Hajar | -Member |
| Yaw Adu-Agyei Gyamfi | -Member |
| Dr. Ing. Michael Adjei-Anyetei | -Member |
| Kwabena Adjare Danquah | -Member |
| Patrick Yaw Nimo | -Member |
| Col. Kwadwo Damoah (RTD) | -Member |
| Vincent Okyere Akomeah | -Member |
| Linda Dennis Boateng | -Member |
| Abraham Binapadam Jawol | -Member |
| Nana Ama Amponsah-Ntim | -Member |
| Amin Abdul-Rahaman | -Member |
| Lawrencia Boahemaa Awuah | -Member |
| Dr. Festus Awuah Kwofie | -Member |
| Esther Gyebi-Donkor | -Member |
| George Gyasi Adjei, Esq | -Board Secretary |

REGISTERED OFFICE

7th Floor, Ghana Shippers' House
No. 12 Cruickshank Street
Ambassadorial Enclave
West Ridge
GA-078-6333
P.O. Box GP 1321
Accra

AUDITORS

Ghana Audit Service
P. O. Box M96
Ministries, Accra

BANKERS

Ecobank Ghana Limited
Bank of Ghana
GCB Bank
Ghana International Bank, London

REPORT OF THE DIRECTORS

The Directors present herewith their report and the audited Financial Statements of Ghana Shippers' Authority for the year ended 31st December 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Authority's Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards, and in the manner required by the Ghana Shippers' Authority Act, 1974 (N.R.C.D 254), and its accompanying L.I. 2190 (2012) and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The Authority's Directors are responsible for the preparation of the Financial Statements that give a true and fair view of the Ghana Shippers' Authority, comprising the Statement of Financial Position as at 31st December 2022, and the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flow for the year then ended, and the Notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Ghana Shippers' Authority Act, 1974 (NRCD 254), and its accompanying L.I. 2190 (2012). In addition, the Directors are responsible for the preparation of the Directors' Report.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of Financial Statements, as well as designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement as well as the maintenance of effective risk management system.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.

PRINCIPAL ACTIVITY

The Authority's primary function is to promote and protect the interest of importers and exporters in Ghana. The principal activities of the Authority were in accordance with the provisions of NRCD 254 and its accompanying L.I 2190. There were no changes in the principal activities of the Authority during the year.

FINANCIAL RESULTS


Total income for the year amounted to GHS128,221,267.16 with a resultant surplus of GHC59,288,234.99. When the income surplus is added to the opening balance on accumulated fund as of 1 January 2022 of GHC169,779,523.98 it leaves a closing balance of GHC229,067,758.97 as of 31 December 2022.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 27th June 2023, and signed on their behalf by:



Stella Wilson
(Board Chairperson)



Benonita B. Bismarck
(Chief Executive Officer)



Ghana Shippers Authority

Independent Auditor's Report to the Board of Directors

Report on the Audit of Ghana Shippers Authority's Financial Statements

Opinion

We have audited the financial statements of the Ghana Shippers Authority for the year ended 31 December 2022. These financial statements comprise; the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 6 to 28.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the *Ghana Shippers Authority*, as at 31 December, 2022, and of its statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Ghana Shippers Authority Act, 1974 (N.R.C.D 254), and its accompanying L.I.2190 (2012).

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the *Ghana Shippers Authority* in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and legislations, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the *Ghana Shippers Authority's* ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the *Ghana Shippers Authority* or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs), which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Organisation of Supreme Audit Institutions (INTOSAI), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs), which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of International Organisation of Supreme Audit Institutions (INTOSAI), we exercised professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls relevant to the audit 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 *Ghana Shippers Authority's* internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
4. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the *Ghana Shippers Authority's* ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future

events or conditions may cause the *Ghana Shippers Authority* to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



ELIZABETH BOTCHEY
ASSISTANT AUDITOR-GENERAL/CAD
for: **AUDITOR-GENERAL**

29 June 2023

GHANA SHIPPERS' AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | Notes | 2022 GHC | 2021 GHC |
|-------------------------------------|-------|------------------------------|------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 4 | 37,775,475.47 | 35,748,663.92 |
| Investment Property | 5 | 40,210,275.07 | 40,210,275.07 |
| Intangible Assets | 6 | 68,074.00 | 48,259.05 |
| Investments | 7 | 3,843,803.45 | 5,080,913.08 |
| Loans (TLP) | 8 | 8,765,416.08 | 5,038,329.13 |
| | | <u>90,663,044.07</u> | <u>86,126,440.25</u> |
| Current assets | | | |
| Account Receivables | 9 | 36,167,201.74 | 51,859,196.04 |
| Financial Assets | 10 | 35,900,621.15 | 29,836,498.67 |
| Cash and Bank Balances | 11 | <u>71,478,858.85</u> | <u>27,347,140.21</u> |
| | | <u>143,546,681.74</u> | <u>109,042,834.92</u> |
| Total assets | | <u>234,209,725.81</u> | <u>195,169,275.17</u> |
| Less Current Liabilities | | | |
| Accounts Payables | 12 | 5,139,997.67 | 25,256,978.75 |
| Bank Overdraft | | 1,969.17 | - |
| Finance Lease Obligation | 13 | <u>-</u> | <u>132,772.44</u> |
| | | <u>5,141,966.84</u> | <u>25,389,751.19</u> |
| | | <u>-</u> | <u>-</u> |
| Net Assets | | <u>229,067,758.97</u> | <u>169,779,523.98</u> |
| REPRESENTED BY | | | |
| Accumulated Fund | | 169,779,523.98 | 139,097,884.31 |
| Income surplus account | | 59,288,234.99 | 30,681,639.67 |
| | | <u>-</u> | <u>-</u> |
| Total equity and liabilities | | <u>229,067,758.97</u> | <u>169,779,523.98</u> |

The attached notes 1 to 19 form an integral part of these financial statements

GHANA SHIPPERS' AUTHORITY**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Notes | 2022 GHC | 2021 GHC |
|---------------------------------------|-------|----------------------|----------------------|
| Revenue from contracts with customers | 14 | 90,019,115.38 | 79,362,280.67 |
| General & Administrative Expenses | 15 | (68,933,032.17) | (53,834,237.79) |
| Other Income | 16 | <u>32,031,017.71</u> | <u>2,556,813.95</u> |
| Operating Surplus | | 53,117,100.92 | 28,084,856.83 |
| Finance Income | 17 | 6,171,134.07 | 2,604,451.34 |
| Finance Cost | 18 | - | (7,668.50) |
| Operating Surplus after Finance Cost | | 59,288,234.99 | 30,681,639.67 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | <u>59,288,234.99</u> | <u>30,681,639.67</u> |

The attached notes 1 to 19 form an integral part of these financial statements

GHANA SHIPPERS' AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Accumulated Fund GHC | Income Surplus GHC | Total GHC |
|------------------------------------|------------------------------|-----------------------------|------------------------------|
| Year ended 31 December 2022 | | | |
| Balance at 1 January 2022 | 169,779,523.98 | | 169,779,523.98 |
| Surplus for the year | | 59,288,234.99 | 59,288,234.99 |
| Balance at 31 December 2022 | <u>169,779,523.98</u> | <u>59,288,234.99</u> | <u>229,067,758.97</u> |
| Year ended 31 December 2021 | | | |
| Balance at 1 January 2021 | 139,097,884.31 | - | 139,097,884.31 |
| Surplus for the year | | 30,681,639.67 | 30,681,639.67 |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at 31 December 2021 | <u>139,097,884.31</u> | <u>30,681,639.67</u> | <u>169,779,523.98</u> |

Notes 1 to 19 form an integral part of these financial statements.

GHANA SHIPPERS' AUTHORITY
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 GHC | 2021 GHC |
|---|-------|------------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Cash generated from/(used in) operations | 19 | <u>52,419,695.78</u> | <u>24,711,176.05</u> |
| Cash flows from investing activities | | | |
| Purchase of Fixed Assets | 4 | (4,971,668.44) | (4,159,919.77) |
| Investments in Projects | 4 | - | (38,565.88) |
| Purchase of Software | | (65,916.63) | (72,388.48) |
| Proceeds from Sale of Assets | | - | - |
| Loan to TLP | 8 | (444,294.69) | - |
| Investment in GCB Capital | | - | (1,203,232.87) |
| Redemption of GIB Investment | | 1,840,328.37 | - |
| TLP Loan Repayment | 8 | <u>1,548,500.00</u> | <u>1,290,806.00</u> |
| Net cash used in investing activities | | <u>(2,093,051.39)</u> | <u>(4,183,301.00)</u> |
| Cash flows from financing activities | | | |
| Lease payments | | (132,772.44) | (113,258.88) |
| Dividend to consolidated fund | | - | - |
| Net cash used in financing activities | | <u>(132,772.44)</u> | <u>(113,258.88)</u> |
| Net Cash (outflow)/Inflow | | <u><u>50,193,871.95</u></u> | <u><u>20,414,616.17</u></u> |
| Analysis of Changes in Cash & Cash Equivalent During the Year | | | |
| Balance as at 1 st January | | 57,183,638.88 | 36,769,022.71 |
| Net Cash (Outflow)/Inflow during the Year | | <u>50,193,871.95</u> | <u>20,414,616.17</u> |
| Balance as at 31 st December | | <u><u>107,377,510.83</u></u> | <u><u>57,183,638.88</u></u> |
| Analysis of Balances of Cash & Cash Equivalent as shown in the Statement of Financial Position | | | |
| Cash & Bank Balance | | 71,478,858.85 | 27,347,140.21 |
| Overdraft | | (1,969.17) | - |
| Short Term Investment | 10 | <u>35,900,621.15</u> | <u>29,836,498.67</u> |
| Cash and cash equivalents at end of year | | <u><u>107,377,510.83</u></u> | <u><u>57,183,638.88</u></u> |

Notes 1 to 19 form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

The Ghana Shippers' Authority established in 1974 by NRCD 254 has over the years provided shipping solutions to importers and exporters in Ghana in relation to port, ship, and inland transport problems to ensure safe, reliable, and cost-effective cargo handling. For about 32 years, the Authority operated under the corporate name – Ghana Shippers' Council which by virtue of the Laws of Ghana (Revised Edition) Act, 1998 (Act 562), was changed to Ghana Shippers' Authority.

The Authority's mandate was reinforced in September 2012 when its regulations L.I.2190 entered into force. The regulations, apart from providing the platform for consultations between the Authority and shipping service providers, are intended primarily to deal with the new challenges faced by shippers in the form of unauthorized and indiscriminate charges by shipping service providers, the unsatisfactory quality of service being rendered to shippers, and the provision of information to shippers using its Quarterly Outlook, Shipping Review and Maritime Digest.

The registered office is disclosed on page 1.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and measurement

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standard Board (IASB). The Financial Statements have been prepared on accrual basis and measured on historical cost, except otherwise explained.

b) Foreign Currency Translation

I. Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The Financial Statements are presented in Ghana Cedis ('GHC') which is the company's functional currency.

II. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses relating to borrowings and cash and cash equivalents are presented in the profit or loss within 'other income'. All other foreign exchange gains or losses are also presented within other income. Exchange rate of GHC9.00/USD has been used to translate all monetary assets and liabilities at the year-end.

(c) Use of judgements and estimates

In preparing the Financial Statements, management has made judgements and estimates that affect the application of the Authority's accounting policies and the reported amounts in the Financial Statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is basically the recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(d) Current versus non-current classification

The Authority presents assets and liabilities in Statement of Financial Position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Authority classifies all other liabilities as non-current.

(e) Revenue from contracts with customers

Revenue from contract with customers is recognised as or when performance obligations are satisfied by transferring control of goods or services to the customer. Transfer of control of goods occurs at the time of delivery. The Authority's revenue is the net consideration to which it expects to be entitled, net of returns, trade discounts, taxes, and volume rebates.

Revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. The following are the revenue sources of the Authority.

I. Service Charge

Service Charge is provided for by an Act of Parliament, Ghana Shippers' Authority Act, 1974 (N.R.C.D 254), and its accompanying L.I. 2190 (2012). Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking

into account contractually defined terms of payment. Revenue from service charge is tax exempt by law and is recognised on accrual basis at a point when bills are raised to the Shipping Lines upon receipt of manifests. It is shared equally with Ghana Maritime Authority after deducting administrative charge of 1%. The Authority at the latter part of the year reviewed its service charge revenue recognition policy, which now requires revenue to be recognized with reference to invoice date instead of vessel arrival date previously applied. This new policy will consistently be applied and is unlikely to be reviewed in the foreseeable future.

II. Investment Income

The Authority's income from investments comprises dividend from 10% stake in GCNet and Returns on Fixed Deposits. Dividend Income is recognised when the Authority's right to receive payment is established, which is generally, when shareholders approve dividend. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest is included in Finance Income in the Statement of Profit or Loss while Dividend Income is included in Other Income.

III. Income from Strategic Business Units (SBU)

SBU represents rent income from the Authority's warehouses in Tema and office spaces in Accra and Takoradi. It also includes income from hiring of conference facilities in Takoradi Shippers' Centre and Ghana Shippers' House. Rental income arising from operating leases on the Authority's investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss.

IV. Electronic Shipment Notification Fees (E-SNF)

ESNF is a payment made by the shippers during import declaration as part of the clearing process. E-SNF is a mandatory payment by shippers and is recognized as income to the extent that it is captured onto the Integrated Customs Management Systems (ICUMS) platform and successfully credited to the designated accounts of the Authority. It is intended to provide information to the Authority on the shipment and arrival of cargoes and to enable the Authority prepare statistics for policy interventions.

V. Shipper Registration Fees

Fees from new and renewal of shipper registration are recognized as income to the extent that the fees do not cover future commitments. This is included in revenue in the statement of profit or loss.

(f) Post-retirement benefits

Social Security and National Insurance Fund is a defined contribution scheme. The employee and the employer contribute 5.5% and 13% respectively to the fund.

A defined contribution plan is a pension plan under which the entity pays fixed contributions to a separate entity. The entity has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due.

(g) Taxation

The Authority is set up as a public institution and therefore not subject to tax on service charge revenue, electronic S.N.F and shipper registration. Dividend and rent income are, however, subject to appropriate withholding taxes and accordingly, the net income thereof is recognized in the income. The Authority is again, not exempted from payment of VAT on goods and services it procures. Accordingly, VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, therefore expenses and assets are not recognized net of sales tax.

(h) Financial instruments

I. Recognition and initial measurement

Trade Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

II. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or Fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair value through profit or loss (FVTPL):

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Authority considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Authority considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate,;
- terms that limit the Authority's claim to cash flows from specified assets.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Authority determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, less directly attributable costs. The Authority's financial liabilities include trade and other payables, rent security deposits, loans and borrowings including bank overdrafts.

Subsequent measurement of financial liabilities depends on their initial recognition. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when liabilities are derecognised

III. Impairment of financial assets

The Authority carries out assessment at the end of each reporting period to determine whether credit risk of a financial asset has increased significantly since initial recognition. Credit risk of a financial asset or a group of financial assets is increased, and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In doing this, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment, that also includes forward-looking.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

The above notwithstanding, section 53 of the Public Financial Management Act 2016 (Act 921) vests the authority to impair or write-off public debts in the hands of parliament of Ghana through the Minister for Finance. Accordingly, the Authority determines to comply with the provisions of the law to satisfy all requirements for impairment of financial assets as part of its credit risk assessment.

IV. Derecognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

The Authority derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
substantially all of the risks and rewards of ownership of the financial asset are transferred; or

the Authority neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On the other hand, the Authority derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Authority also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(i) Offsetting of Financial Instruments

Financial Assets and financial liabilities are offset, and the net amount presented in the statement of financial position when and only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(j) Trade receivables

Trade receivables are amounts due from shipping lines in respect of service charge as enshrined in the Authority's Act 1974 (NRCD 254). Since collection is expected in one year (or in the normal operating cycle of the business), they are classified as current assets.

(k) Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(l) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

(m) Property, plant and equipment (PPE)

An item is classified as PPE when it is held for use in the production or supply of goods or services, or for administrative purposes; and is expected to be used during more than one period. Recognition of an item as PPE occurs when it is probable that future economic benefits associated with the assets will flow to the entity and the cost of the assets to the Authority can be measured reliably.

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes borrowing costs, less accumulated depreciation, and any accumulated impairment loss. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent Cost

The cost of replacing parts of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. Cost of the day-to-day servicing and maintenance of property, plant and equipment are recognised in the income statement as incurred.

The assets' residual value and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. Property, Plant and Equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within Disposal Gains/(Losses) in profit or loss.

(iii) Depreciation

Depreciation is calculated and recognised in the profit or loss on a straight-line basis over the estimated useful lives of each asset or part of an item of PPE. Freehold land is not depreciated. Depreciation is charged in the year in which an asset is acquired, or a capital work-in-progress is available for use while depreciation is ignored in the year in which an asset is disposed off. The annual depreciation rates used are shown in the table below:

| Assets | Rate of Depreciation | No. of Years |
|----------------------------------|----------------------|--------------|
| Buildings | 2% | 50 |
| Motor Vehicles | 25% | 4 |
| Machines and Equipment | 20% | 5 |
| Furniture, Fixtures and Fittings | 20% | 5 |
| ICT Equipment | 33% | 3 |

(iv) Capital Work in progress

Property, Plant and Equipment under construction are stated at initial cost and depreciated from the date the asset is available for use over its estimated useful life. Cost of capital work in progress includes the cost of materials and direct labour, and any other cost directly attributable to bringing the asset to a working condition for its intended use. Assets are transferred from work in progress to an appropriate category of Property, Plant and Equipment when they become ready for their intended use.

(n) Investment properties

An owned investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity, and the cost of the investment property can be measured reliably. An item of property (land or a building – or part of a building – or both) is considered investment property when it is held to earn rentals or for capital appreciation or both, rather than for use in the production of or supply of goods and services or for administrative purposes; or sale in the ordinary course of business. When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly and remeasured to fair value. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in OCI and reduces the revaluation surplus within accumulated fund.

(o) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, Intangible Assets and Property, Plant and Equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(p) Intangible Assets

An Intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the Authority and
- The cost of the asset can be measured reliably.

Intangibles acquired by the Authority is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on intangibles (software) is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is up to three years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(q) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that they are capitalised. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets when it is probable that they will result in future economic benefits to the Authority and that the cost can be measured reliably. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss. All borrowing costs are recognised using the effective interest method.

(r) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Authority has not early adopted the new or amended standards in preparing these financial statements.

1. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. A thorough review of all contracts of the Authority showed that no contract was onerous at the reporting date.

2. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained

earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

However, the Authority's revenue is not subjected to corporate tax and will therefore not be affected by this standard when comes into force.

3. Other standards

The following new and amended standards are not expected to have a significant impact on the Authority's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts

(3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Authority's activities expose it to a variety of financial risks, market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The entity does not hedge any of its risk exposures. Financial risk management is carried out by the management of the Authority under policies approved by the Governing Board.

(i) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Authority.

The Authority's principal exposure to credit risk is in its trade and other receivables and loans to related parties. The amount receivable from the Shipping Lines (trade receivable) forms about 72% of the total receivables. Therefore, should the shipping lines default in repaying the debt it may affect the operations of the Authority. However, in accordance with the provisions of the Ghana Shippers' Authority Act, 1974 (N.R.D.C 254), and its accompanying L.I. 2190 (2012) the Shipping Lines are obliged to pay for all invoices submitted to them. The Authority also has in place Debt Recovery Team which is charged with responsibility of ensuring timely collection of all outstanding debts.

The table below shows the maximum exposure to credit risk by class of financial instrument:

| | 2022 | 2021 |
|--|-----------------------|-----------------------|
| | GHC | GHC |
| Cash at bank and short-term deposits | 107,379,480.00 | 57,183,638.88 |
| Net trade and other receivables (excluding | | |
| Prepayments and contract in progress) | <u>35,060,582.37</u> | <u>51,017,691.65</u> |
| Total credit risk exposure | <u>142,440,062.37</u> | <u>108,201,330.53</u> |

The amount that best represents the entity's maximum exposure to credit risk is the carrying value of its financial assets in the statement of financial position.

Provision for impairment losses

Any impairment provision relating to trade debtors is appropriated between the Ghana Shippers' Authority and the Ghana Maritime Authority in accordance with the sharing ratio as enshrined in the Authority's Regulations (L.I. 2190) and Ghana Maritime Authority's Act after administrative charge of 1%. As at the end of the financial year, a thorough assessment of the Service Charge Debtors gave an indication that debt of USD1,054,323.34 (GHC9,488,910.06) is likely not to be recovered. The Authority will take the appropriate steps in line with the Public Financial Management Act 2016 (Act 921) to impair the trade debtors.

(ii) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from an adequate amount of committed credit facilities. Accordingly, the Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or damage to the Authority. The Authority manages its cash position and future outflows on an ongoing daily basis. The Authority ensures that it has sufficient funds on demand to meet expected operational expenses and liabilities as and when they fall due.

Cash of the Authority is placed in current accounts to provide sufficient funding to meet its obligations. At the end of the reporting date, bank accounts and fixed deposit accounts was GHC107,377,510.83 (2021: GHC57,183,638.88). This amount is expected to be sufficient for managing liquidity risk.

All the Authority's short term financial liabilities will be settled within 12 months based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

| Financial liabilities | 2022 | 2021 |
|---|---------------------|---------------------|
| | GHC | GHC |
| Contractual obligation due in 12 months | 5,139,997.67 | 1,759,912.11 |
| Bank Overdraft | - | - |
| | <u>5,139,997.67</u> | <u>1,759,912.11</u> |

(iii) **Market Risk**

Market risk is the risk that changes in market prices, foreign currency, and interest rate etc., will affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(iv) **Interest Risk**

Interest rate risk shows how changes in the fair value or future value of cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The Authority had no exposure to interest rate risk as at December 31, 2022 (2021: Nil).

(v) **Foreign Exchange Risk**

Foreign exchange rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in the foreign exchange rates. The Authority's major revenue source, Service Charge is denominated in Dollars and accordingly maintains Dollar account in order to minimize its exposure to fluctuations in exchange rates. Again, the service charge receivables are maintained in US Dollars and translated at year end in order to minimize the exposure to exchange rate fluctuations. More so, the Authority has no Dollar loan facility and therefore, not exposed to Foreign exchange risk. That notwithstanding, Management is responsible for minimizing the effect of the currency exposure and will continue to monitor its activities to minimize its exposure to foreign exchange risk in all future transactions.

(vi) **Price Risk**

The Authority does not hold any financial instruments subject to price risk.

GHANA SHIPPERS' AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

4. Property, Plant and Equipment (PPE)

| Cost | Freehold Land GHC | Buildings GHC | Motor Vehicle GHC | Machines & Equip GHC | ICT Equipment GHC | Furniture & Fittings GHC | Library Books GHC | Totals GHC |
|--------------------------|-------------------------------|-----------------------------------|--------------------------------|-------------------------------------|---------------------------------|-----------------------------|----------------------|---------------|
| Balance b/f | 1,871,886.55 | 24,413,889.59 | 4,873,101.94 | 626,559.87 | 1,581,305.97 | 8,718,455.42 | 10,485.00 | 42,095,684.34 |
| Additions | | 538,231.08 | 3,121,087.91 | 280,677.67 | 926,721.78 | 104,950.00 | | 4,971,668.44 |
| Balance c/d | 1,871,886.55 | 24,952,120.67 | 7,994,189.85 | 907,237.54 | 2,508,027.75 | 8,823,405.42 | 10,485.00 | 47,067,352.78 |
| Accumulated Depreciation | | | | | | | | |
| Balance b/f | - | 2,701,353.08 | 3,039,561.11 | 585,408.22 | 1,218,105.09 | 8,252,974.66 | 10,485.00 | 15,807,887.16 |
| Charge for the year | | 494,060.31 | 1,575,188.40 | 75,889.20 | 564,197.28 | 235,521.70 | | 2,944,856.89 |
| Balance c/d | - | 3,195,413.39 | 4,614,749.51 | 661,297.42 | 1,782,302.37 | 8,488,496.36 | 10,485.00 | 18,752,744.05 |
| Net Book Value | | | | | | | | |
| As at 31/12/2022 | 1,871,886.55 | 21,756,707.28 | 3,379,440.34 | 245,940.12 | 725,725.38 | 334,909.06 | - | 28,314,608.73 |
| Projects in progress | | | | | | | | |
| | Inland Port Project GHC | Boankra Shippers' House GHC | Tema Shippers' House GHC | Tamale Shippers' Projects GHC | Staff Housing Project GHC | Totals GHC | | |
| Balance b/f | 2,227,208.44 | 5,644,966.69 | 1,432,119.42 | 34,252.00 | 122,320.19 | 9,460,866.74 | | |
| Additions | | | | | | | | |
| As at 31/12/2022 | 2,227,208.44 | 5,644,966.69 | 1,432,119.42 | 34,252.00 | 122,320.19 | 9,460,866.74 | | |

GHANA SHIPPERS' AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

4.

2021 Comparative
Property, Plant and Equipment (PPE)

| Cost | Freehold Land GHC | Buildings GHC | Motor Vehicle GHC | Machines & Equip GHC | ICT Equipment GHC | Furniture & Fittings GHC | Library Books GHC | Totals GHC |
|------------------------------|----------------------|------------------|----------------------|-------------------------|----------------------|-----------------------------|----------------------|-----------------|
| B/fwd | 1,871,886.55 | 62,376,006.27 | 3,655,465.54 | 595,557.34 | 1,257,575.92 | 8,487,246.62 | 10,485.00 | 78,254,223.24 |
| Additions | | 2,248,158.39 | 1,523,250.00 | 31,002.53 | 323,730.05 | 231,208.80 | | 4,357,349.77 |
| Disposal | | | (305,613.60) | | | | | (305,613.60) |
| Trf to Investment Properties | | (40,210,275.07) | | | | | | (40,210,275.07) |
| Balance c/d | 1,871,886.55 | 24,413,889.59 | 4,873,101.94 | 626,559.87 | 1,581,305.97 | 8,718,455.42 | 10,485.00 | 42,095,684.34 |
| Depreciation | | | | | | | | |
| Balance b/f | - | 6,761,942.86 | 2,251,774.68 | 537,828.39 | 953,463.33 | 8,016,022.78 | 10,485.00 | 18,531,517.04 |
| Charge for the year | | 1,292,483.29 | 1,093,400.03 | 47,579.83 | 264,641.76 | 236,951.88 | | 2,935,056.79 |
| Disposal | | | (305,613.60) | | | | | (305,613.60) |
| Trf to Investment Properties | | (5,353,073.07) | | | | | | (5,353,073.07) |
| Balance c/d | - | 2,701,353.08 | 3,039,561.11 | 585,408.22 | 1,218,105.09 | 8,252,974.66 | 10,485.00 | 15,807,887.16 |
| Net Book Value | | | | | | | | |
| As at 31/12/2021 | 1,871,886.55 | 21,712,536.51 | 1,833,540.83 | 41,151.65 | 363,200.88 | 465,480.76 | - | 26,287,797.18 |

Projects in progress

| | Inland Port Project GHC | Boankra Shippers' House GHC | Tema Shippers' House GHC | Tamale Shippers' Projects GHC | Staff Housing Project GHC | Totals GHC |
|------------------|-------------------------------|-----------------------------------|--------------------------------|-------------------------------------|---------------------------------|---------------|
| Balance b/f | | | | | | |
| Additions | 2,227,208.44 | 5,644,966.69 | 1,393,553.54 | 34,252.00 | 122,320.19 | 9,422,300.86 |
| | | | 38,565.88 | | | 38,565.88 |
| As at 31/12/2021 | 2,227,208.44 | 5,644,966.69 | 1,432,119.42 | 34,252.00 | 122,320.19 | 9,460,866.74 |

5. Investment Property

During 2021, part of the Authority's buildings was transferred to investment property, because it had satisfied all conditions for classification into investment property. GHC40,210,275.07 was accordingly transferred from Land and Buildings to Investment Property at cost. The current financial year recorded no new activity on investment property. Investment property comprises the Authority's commercial properties in Takoradi, Tema and Accra that are leased out to third parties. Each of these leases contains an initial non-cancellable period of at least 2 years. Subsequent renewals are negotiated with the lease and historically average renewal period is 2 years.

6. Intangible assets

| | 2022 | 2021 |
|--|---------------------|---------------------|
| | GHC | GHC |
| Cost of Software | 394,195.62 | 328,278.99 |
| Amortisation | <u>(326,121.62)</u> | <u>(280,019.94)</u> |
| Net book value as of 31 st December | <u>68,074.00</u> | <u>48,259.05</u> |

7. Investments

| | 2022 | 2021 |
|-----------------------------|---------------------|---------------------|
| | GHC | GHC |
| GC Net Investment | 472,495.00 | 472,495.00 |
| Investments in TLP | 2,168,075.58 | 2,168,075.58 |
| GCB Capital (Gold Coast FD) | 1,203,232.87 | 1,203,232.87 |
| GIB Investments | <u>0.00</u> | <u>1,237,109.63</u> |
| | <u>3,843,803.45</u> | <u>5,080,913.08</u> |

8. Loans to TLP

| | 2022 | 2021 |
|------------------------------|---------------------|---------------------|
| | GHC | GHC |
| Opening Balance | 5,038,329.13 | 5,951,012.16 |
| Repayment during the period | (1,548,500.00) | (1,290,806.00) |
| Additional loans | 444,294.69 | - |
| Exchange gain on translation | 1,960,533.76 | 185,687.26 |
| Interest on Loan | <u>2,870,758.50</u> | <u>192,435.71</u> |
| | <u>8,765,416.08</u> | <u>5,038,329.13</u> |

The Authority disbursed a US Dollar loan to Takoradi Logistics Platform in October 2012 to finance the construction of the logistics platform. A total of USD1,282,345.63 was disbursed to the Company. However, the outstanding as at the end of the period was USD973,935.12 (2021: USD832,781.67)

9. Trade and other receivables

| | 2022 | 2021 |
|-------------------------|----------------------|----------------------|
| | GHC | GHC |
| Trade Receivables | 26,233,878.96 | 44,167,624.93 |
| Staff Housing Loan | 1,582,175.09 | 1,415,713.49 |
| Staff Car Loan | 496,083.70 | 666,396.68 |
| Other Loans to Staff | 306,693.21 | 275,705.26 |
| Amount due from Tenants | 6,441,751.41 | 4,492,251.29 |
| Prepayments | <u>1,106,619.37</u> | <u>841,504.39</u> |
| | 36,167,201.74 | 51,859,196.04 |

Trade receivables are amount due from shipping lines/Agents which is a joint asset of the Ghana Maritime Authority and the Ghana Shippers' Authority on a 50:50 basis. At the end of the reporting period, GH¢52,467,757.91 was due from the shipping lines/agents. For the purpose of fair presentation, 50% has been presented as trade receivables with the remaining 50% reported in Ghana Maritime Authority's account.

10. Financial Assets

| | 2022 | 2021 |
|-----------------------------|----------------------|----------------------|
| | GHC | GHC |
| GCB Capital (Gold Coast) | 50,000.00 | 50,000.00 |
| Cal Bank Fixed Deposit | 2,601,480.17 | 4,189,326.89 |
| GCB Bank | - | 3,377,697.87 |
| ADB Bank Fixed Deposit | 4,322,839.92 | 3,591,776.76 |
| Ecobank Fixed Deposit (USD) | 20,543,157.00 | 13,809,566.64 |
| Fidelity Bank Fixed Deposit | 5,836,197.56 | 2,701,829.47 |
| CBG Bank Fixed Deposit | <u>2,546,946.50</u> | <u>2,116,301.04</u> |
| | 35,900,621.15 | 29,836,498.67 |

11. Cash & bank balance

| | 2022 | 2021 |
|--------------------------------|----------------------|---------------------|
| | GHC | GHC |
| Bank of Ghana Cedi Accounts | 19,869,805.82 | 147,382.93 |
| Bank of Ghana (Forex) | 26,379,657.18 | 1,362,340.27 |
| Ecobank Cedi Accounts | 4,494,447.25 | 4,097,367.14 |
| Ecobank USD Accounts | 20,628,389.07 | 17,885,523.41 |
| Ghana International Bank (USD) | - | 3,541,340.76 |
| GCB Bank Accounts | 103,348.53 | 311,685.70 |
| Petty Cash Imprest | 1,500.00 | 1,500.00 |
| MTN Momo Account | <u>1,711.00</u> | - |
| | 71,478,858.85 | 27,347,140.2 |

12. Account payables

| | 2022 | 2021 |
|-----------------------------|---------------------|----------------------|
| | GHC | GHC |
| Ghana Maritime Authority | 301,712.25 | 23,497,066.64 |
| Accruals & Provisions | 593,916.39 | 572,611.46 |
| Withholding tax outstanding | 472,077.93 | 166,593.44 |
| Deferred Income | 2,854,308.37 | 305,892.26 |
| Rent Security Deposit | 917,982.73 | 714,814.95 |
| | <u>5,139,997.67</u> | <u>25,256,978.75</u> |

Contingencies

- a) There is a pending legal suit between Antasser Afrique BVBA (Plaintiff) and Ghana Shippers' Authority, Ghana Revenue Authority, and the Attorney General (Defendants), where the Ghana Shippers' Authority is the 1st defendant in relation to breach of contract for the provision of Advanced Shipment System Information (ASHI). Although liability is not admitted, if the defence against the action is unsuccessful, then fines and legal costs could amount to EUR8.3m.

13. Finance Lease

| | 2022 | 2021 |
|-----------------------------|-----------|-------------------|
| | GHC | GHC |
| Falling due in 12 months | - | 132,772.44 |
| Falling due after 12 months | - | - |
| | <u>--</u> | <u>132,772.44</u> |

14. Revenue from contracts with customers

| | 2022 | 2021 |
|--------------------------|----------------------|----------------------|
| | GHC | GHC |
| Service charge | 77,884,117.72 | 68,290,248.63 |
| Electronic S.N.F | 3,315,727.16 | 4,465,729.85 |
| Rent Income | 8,775,884.50 | 6,573,452.19 |
| Shipper Registration fee | 43,386.00 | 32,850.00 |
| | <u>90,019,115.38</u> | <u>79,362,280.67</u> |

15. General & administrative expenditure

| | 2022 | 2021 |
|-----------------------------|----------------------|----------------------|
| | GHC | GHC |
| Personnel emoluments | 28,967,123.23 | 23,774,590.75 |
| Travelling & transport | 3,227,420.91 | 2,294,517.39 |
| General expenditure | 7,106,234.88 | 5,898,192.66 |
| Repairs & maintenance | 889,701.80 | 469,385.54 |
| Depreciation & Amortization | 2,990,958.57 | 3,004,912.91 |
| Other recurrent expenditure | 25,751,592.78 | 18,392,638.54 |
| | <u>68,933,032.17</u> | <u>53,834,237.79</u> |

16. Other income

| | 2022 GHC | 2021 GHC |
|-------------------------------|----------------------|---------------------|
| Disposal gain/(loss) | - | - |
| Exchange gain/(loss) | 31,765,276.57 | 2,524,430.45 |
| Service charge debt recovered | 216,892.08 | - |
| Others | <u>48,849.06</u> | <u>32,383.50</u> |
| | <u>32,031,017.71</u> | <u>2,556,813.95</u> |

17. Finance income

| | 2022 GHC | 2021 GHC |
|--------------------------|---------------------|---------------------|
| Interest on TLP loan | 3,300,375.57 | 192,435.71 |
| Returns on fixed deposit | <u>2,870,758.50</u> | <u>2,412,015.63</u> |
| | <u>6,171,134.07</u> | <u>2,604,451.34</u> |

18. Finance cost

| | 2022 GHC | 2021 GHC |
|----------------------------|-------------|-----------------|
| Interest charge on leasing | <u>-</u> | <u>7,668.50</u> |
| | <u>-</u> | <u>7,668.50</u> |

19. Reconciliation of operating income to net cash inflow from operating activities

| | 2022 GHC | 2021 GHC |
|--|------------------------|------------------------|
| Operating income | 59,288,234.99 | 30,681,639.67 |
| Adjustments for: | | |
| Depreciation | 2,944,856.89 | 2,935,056.79 |
| Amortisation | 46,101.68 | 69,856.12 |
| Gain on disposal of assets | - | - |
| Returns on GIB Fixed Deposit & Exchange Gain | (603,218.74) | (51,735.38) |
| Exchange gain on translation of TLP USD loan | (1,960,533.76) | (185,687.26) |
| Interest on TLP Loan | (2,870,758.50) | (192,435.71) |
| Finance cost on leasing | - | 7,668.50 |
| <i>Changes in working capital:</i> | | |
| - trade and other receivables | 15,691,994.30 | 2,467,271.08 |
| - trade and other payables | <u>(20,116,981.08)</u> | <u>(11,020,457.76)</u> |
| Cash generated from/(used in) operations | <u>52,419,695.78</u> | <u>24,711,176.05</u> |