BUI POWER AUTHORITY

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FINANCIAL STATEMENTS
31 DECEMBER 2016

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GENERAL INFORMATION

GOVERNING BOARD	Hon. J. Asiedu-Nketia	Chairman
	Mr. J. Amissah Arthur	CEO (Member)
	Mrs. Theresa Nyarko Fofie	Member
	Hon. Joseph Akati Saaka	Member
	Mr. Kwame Twum Boafo	Member
	Hon. Kwasi A. Gyan-Tutu	Member
	Dr. Kofi Nketsia Afful	Member

REGISTERED OFFICE

No. 11 Dodi Link
Airport Residential
Area, Accra
Ghana

AUDITOR

Ernst & Young
Chartered Accountants
G15, White Avenue
Airport Residential Area
P. O. Box KA 16009
Airport, Accra, Ghana

SOLICITORS

Yeboah Lex Co. Ltd
P. O. Box CF 2648
Cantonments
Accra

BANKERS

Zenith Bank Ghana Limited
Ecobank Ghana Limited
Agriculture Development Bank
Ghana Commercial Bank

REPORT OF THE GOVERNING BOARD TO THE MEMBERS OF BUI POWER AUTHORITY

The Governing Board present the audited financial statements of the Authority for the year ended 31 December 2016.

Governing Board's responsibility statement

The Authority's Governing Board is responsible for the preparation of financial statements that give a true and fair view of Bui Power Authority, comprising the statement of financial position at 31 December 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and also in the manner required by the provisions of the Bui Power Authority Act, 2007 (Act 740) Section 21. In addition, the Authority's Governing Board is responsible for the preparation of the Report of the financial statements.

The Authority's Governing Board is also responsible for such internal control as the Authority's Governing Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Authority's Governing Board have made an assessment of the ability of the Authority to continue as a going concern and have no reason to believe that the business be a going concern in the year ahead.

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

The results for the year are as set out in the attached financial statements.

Nature of business

The main activities of the Authority is to plan, execute and manage the Bui Hydroelectric Project so as to augment power supply of Ghana.

REPORT OF THE GOVERNING BOARD
TO THE MEMBERS OF BUI POWER AUTHORITY (CONTINUED)

Change in management

There was a change in Government on 7 January 2017. This change resulted in the resignation of the members of the Governing Board, including the Chief Executive Officer, who steered the affairs of the Authority for this reporting period. The new management has been steering the affairs of the Authority since then up to date.

Directors in office

The directors in office at the date of signing these financial statements are:

Amb. Afare Apeadu Donkor	Chairman appointed 8 September 2017
Mr. Fred Oware	CEO (Member) appointed 27 February 2017
Alhaji Abubakari Abdul-Rahman	Member appointed 8 September 2017
Mrs. Sylvia Maria Asare	Member appointed 8 September 2017
Hon. Gabriel Osei	Member appointed 8 September 2017
Dr. Adams Sulemana Achanso	Member appointed 8 September 2017
Mr. Kwaku Bowiansa Abrefa	Member appointed 8 September 2017

State of affairs of the Authority

The Governing Board consider the state of affairs of the Authority to be satisfactory and have made an assessment of the Authority's ability to continue as a going concern and have no reason to believe the Authority will not be a going concern in the year ahead.

Approval of the financial statements

The financial statements were approved by the Governing Board on and are signed on its behalf by:

Member

Date: 05/03/2020

Member

Date: 05/03/2020

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working world

Airport Residential Area
P. O. Box KA 16009,
Airport Accra, Ghana

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BUI POWER AUTHORITY**

Report on the financial statements

Opinion

We have audited the financial statements of Bui Power Authority (BPA) set out on pages 7 to 36, which comprise the statement of financial position as at 31 December 2016, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bui Power Authority (BPA) as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Bui Power Authority Act, 2007 (Act 740).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Bui Power Authority. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audits of Bui Power Authority (BPA). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Governing Board for the financial statements

The Governing Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and also in the manner required by the Bui Power Authority Act, 2007 (Act 740) and for such internal control as the governing board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Board are responsible for assessing the company'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 Governing Board either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting processes.

Auditor's responsibilities 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 misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 control.

- Obtain an understanding of internal control 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governing Board.

- Conclude on the appropriateness of the Governing Board's 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 Company'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 Company to cease to continue as a going concern.

- 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst + Young

Signed by Kwadwo Mpeani Brantuo (ICAG/P/1152)
For and on behalf of Ernst & Young (ICAG/F/2020/126)
Chartered Accountants
Accra, Ghana

Date: 5 March 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 US$'000	2015 Restated US$'000
Revenue	4	95,724	88,855
Cost of electricity generation	5	(17,983)	(17,661)
Gross profit		77,741	71,194
Other operating income	6	192	889
Administrative expenses	7	(14,386)	(6,468)
Other operating expenses	8	(91)	(162)
Operating profit		63,456	65,453
Finance costs	9	(23,543)	(25,005)
Profit before tax		39,913	40,448
Income tax expense	10	-	-
Profit after tax		39,913	40,448
Other comprehensive income		-	-
Total comprehensive income for the year		39,913	40,448

Notes 1 to 31 form an integral part of these financial statements.

3. Significant accounting policies (continued)

3.13 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, the borrowing costs. The purchase price or construction cost is the aggregate of the amount paid and the fair value of any other consideration given to acquire the asset.

The straight-line method is adopted to depreciate the cost of items of property, plant and equipment less any estimated residual value of the assets over their expected useful lives. Bui Power Authority estimates the useful lives of other assets in line with their beneficial periods. Where parts of an item of property, plant and equipment have different useful lives and is significant to the total cost, the cost of that item is allocated on a component basis among the parts and each part is depreciated separately.

Land dam powerhouse	25 - 100 years
Generating plant and machinery	15 - 40 years
Power distribution network	15- 25 years
Motor vehicles	2 - 5 years
Marine equipment	10 years
Office equipment	1 - 5 years
IT and communication equipment	1 - 5 years
Office furniture and fittings	1 - 5 years
Household equipment	1 - 5 years
Household fixtures and fittings	1 - 5 years
Miscellaneous equipment	3 - 20 years
Buildings	15 - 50 years

Residual values, useful lives and the depreciation method are reviewed and, adjusted if appropriate at each reporting date. Changes are accounted for prospectively.

The cost of assets built by the Authority includes the cost of material and direct labour as well as any other costs directly attributable to bringing the asset to a working condition as intended by management. Once the assets are available for use, depreciation commences.

Expenditure on major maintenance or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off or is replaced and it is probable that future economic benefits associated with the item will flow to the Authority, the replacement expenditure is capitalized. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other maintenance costs are expensed as incurred.

The carrying amount of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognized.

3. Significant accounting policies (continued)

3.14 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

All financial instruments are classified into one of the following categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities.

Financial instruments classified as held-to-maturity investments, loans and receivables or other financial liabilities are measured at fair value upon initial recognition and subsequently measured at their amortised cost using the effective interest method.

Transaction costs on financial instruments are expensed when incurred. Purchases and sales of financial assets are accounted for at trade dates.

Financial instruments include disclosures on their liquidity risk and the inputs to fair value measurement, including their classification within a hierarchy that prioritizes those inputs.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Authority.

3. Significant accounting policies (continued)

3.14 Financial Instruments:

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets is primarily derecognised (i.e., removed from the Authority's statement of financial position) when:

The rights to receive cash flows from the asset have expired.

Or

It has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

(a) the Authority has transferred substantially all the risks and rewards of the asset, or
(b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Authority continues to recognise the transferred asset to the extent of the Authority's continuing involvement. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

3.15 Significant accounting judgments estimates and assumptions

The preparation of the Authority's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

In the process of applying the Authority's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statements line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Authority based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

3. Significant accounting policies (continued)

3.16 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Authority's financial statements are disclosed below. The Authority intends to adopt these standards, if applicable, when they become effective.

IFRS 16 Leases

The IASB has developed a new Leases Standard, IFRS 16, which supersedes IAS 17 Leases. The IASB worked jointly with the FASB on this project. The FASB expects to publish its new Leases Standard in early 2016. The Authority is required to apply IFRS 16 from 1 January 2019.

IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment.

If lease payments are made over time, the Authority also recognises a financial liability representing its obligation to make future lease payments.

The Authority is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Authority's financial assets, but no impact on the classification and measurement of the Authority's financial liabilities.

The Authority is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Authority is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

3. Significant accounting policies (continued)

3.16 Standards issued but not yet effective

Amendments to IAS 7 Statement of Cash Flows

In January 2016, the IASB issued amendments to IAS 7 Statement of Cash Flows with the intention to improve disclosures of financing activities and help users to better understand the reporting entities liquidity positions.

Under the new requirements, entities will need to disclose changes in their financial liabilities as a result of financing activities such as changes from cash flows and non-cash items (e.g., gains and losses due to foreign currency movements). The amendment is effective from 1 January 2017. The Authority is currently evaluating the impact of the amendment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

4. Revenue

	Revenue from sale of electricity	Power generated Kilowatt hour in thousands
	US$'000	
2016	95,724	934,804
2015	88,855	867,727

Bui Power Authority sells electricity generated by its hydroelectric plant to the Electricity Company of Ghana (ECG). Per the power purchase agreement between the Ministry of Energy, (on behalf of Bui Power Authority) and the Electricity Company of Ghana, power is sold to ECG using prices as determined by the Public Utility Regulatory Commission (PURC).

5. Cost of electricity generation

	2016 US$'000	2015 US$'000
Direct labour costs	1,545	1,433
Direct consumable expenses	176	145
Direct operational and maintenance expenses	13	2
Depreciation charged to cost of sales	16,249	16,081
	17,983	17,661

These costs are directly attributable to the generation of hydroelectric power by the Bui Power Authority (BPA).

6. Other income

	2016 US$'000	2015 US$'000
Gain on disposal of assets	-	19
Income from sale of lumber	98	-
Interest on accounts	94	847
Miscellaneous income	-	23
	192	889

Income from sale of lumber resulted from sale of trees in the catchment area upon clearing of the land for the purposes of constructing the dam. Miscellaneous income, on the other hand relates to catering income and rentals of space to some organisations at the Bui Dam's site. Interest on accounts refers to interest accruing on Bui Power Authority fixed deposits and bank accounts held with Ghana Commercial Bank and other financial institutions.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016	Restated 2015
		US$'000	US$'000
Non-current assets			
Property, plant and equipment	11	842,418	840,655
Intangible assets	12	389	474
Biological assets	13	-	414
Total non-current assets		842,807	841,543
Current assets			
Inventory	14	167	117
Trade and other accounts receivable	15	203,630	138,434
Other financial assets	16	1,335	2,617
Restricted cash	17	2,696	49,621
Cash and bank balances	18	8,864	2,656
Total current assets		216,692	193,445
Total assets		1,059,499	1,034,988
Equity			
Accumulated fund	19	76,514	76,514
Retained earnings		274,194	234,281
Total equity		350,708	310,795
Non-current liabilities			
Loans and borrowings	20d	680,717	717,364
Total non-current liabilities		680,717	717,364
Current liabilities			
Loans and borrowings	20d	26,301	4,222
Trade and other accounts payable	21	1,515	2,121
Employee benefits obligation	22	258	486
Total current liabilities		28,074	6,829
Total liabilities		708,791	724,193
Total equity and liabilities		1,059,499	1,034,988

The financial statements were approved by the Governing Board and signed on its behalf by:

Member
Date: 05/03/2020

Member
Date: 05/03/2020

Notes 1 to 31 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Accumulated Fund	Retained Earnings	Total
	US$'000	US$'000	US$'000
As at 1 January 2016	76,514	234,281	310,795
Profit for the year	-	39,913	39,913
As at 31 December 2016	76,514	274,194	350,708
As at 1 January 2015	76,514	193,833	270,347
Profit for the year	-	40,448	40,448
As at 31 December 2015	76,514	234,281	310,795

Notes 1 to 31 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 US$'000	2015 US$'000
Operating activities			
Profit before tax		39,913	40,448
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation charge		16,947	16,647
Amortisation charge		88	35
Unrealized exchange loss/(gain)		8,722	(41)
Interest income		(94)	(847)
Interest expense		23,543	25,005
Operating profit before working capital changes		89,119	81,247
Working capital adjustments:			
(increase) /decrease in Inventory		(50)	20
Decrease in restricted cash		46,925	47,356
Decrease/(increase) in other financial assets		1,813	4,469
Increase in trade and other accounts receivable		(73,927)	(70,757)
(Decrease)/increase in trade and other accounts payable		(606)	2
(Decrease/increase in employee benefit obligations		(228)	140
Cash generated from operations		63,046	62,477
Interest received		94	1,086
Interest paid		(21,571)	(24,392)
Net cash generated from operating activities		41,569	39,171
Investing activities			
Purchase of property, plant and equipment		(18,284)	(37,915)
Purchase of intangible assets		(3)	(118)
		-	(3)
Net cash used in investing activities		(18,287)	(38,036)
Financing activities			
Repayment of non-current loans and borrowings:		(16,542)	(5,189)
Net cash used in financing activities		(16,542)	(5,189)
Net increase/(decrease) in cash and cash equivalents		6,740	(4,054)
Cash and cash equivalents as at 1 January	18b	3,460	7,514
Cash and cash equivalents as at 31 December	18b	10,200	3,460

Notes 1 to 31 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

1. Corporate Information

The Authority was established by an Act of Parliament, Bui Power Authority, 2007 (Act 740) and it is domiciled in Ghana. The Authority's registered office is at No 11 Dodi Link, Airport Residential Area, Accra, Ghana and it is domiciled in Ghana. The Authority is primarily involved in planning, executing and managing the Bui Hydroelectric Project.

2. Basis of preparation

The financial statements of Bui Power Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis and are presented in United States of American Dollars (US$) and are rounded to the nearest thousand (US$'000), except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosures of contingent assets and liabilities at the reporting date and the reported amount of revenue and expenses during the period. However, actual outcome could differ from those estimates. Significant estimates and assumptions are included in Note 3.15.

Bui Power Authority has presented its financial statements in United States Dollars which is also its functional currency.

3. Significant accounting policies

3.1 Revenue

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 being received. Revenue is measured at the fair value of the consideration received or receivable, taking account of contractually defined terms of payment and excluding taxes or duty. The Authority has concluded that it is the principal in all its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from services rendered

The amount of revenue arising on a transaction is usually determined by agreement between the Authority and the buyer or user of the service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Authority. Revenue is recognised upon delivery of electricity to the Electricity Company of Ghana (ECG) and charged in accordance with rates approved by the Public Utilities Regulatory Commission (PURC) as per the Power Purchase Agreement.

Substantially, all revenue from ordinary activities is derived from electricity sales contracts with customers. These sales are recognized over time, based on the electricity delivered and the amount that Bui Power Authority is entitled to charge the Electricity Company of Ghana.

3. Significant accounting policies (continues)

3.2 Current versus non-current classification

Bui Power Authority presents assets and liabilities in its 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.
- Expected to be realised within twelve months after the reporting period.

Or

- Cash or cash equivalents 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.

Bui Power Authority classifies all other liabilities as non-current.

3.3 Inventory

Inventories are valued at the lower of cost and net realizable value. Cost comprises expenditure incurred during the normal course of business. Net Realisable Value (NRV) is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs necessary to make the sale. Provision is made for obsolete, slow moving and defective stocks as and when determined.

3.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

Restricted cash flows

Amounts held in the Bui Power Authority's account with China Export and Import Bank (CEXIM) are not considered to be a part of the Authority's cash and cash equivalents balance. Rather, they are considered separately due to their materiality and nature of restriction.

3. Significant accounting policies (continued)

3.5 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the costs of the asset. All borrowing cost in relation to construction of the dam and other civil works have been capitalized. Other borrowing costs are expensed in the period in which they occur.

3.6 Provisions

General

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.7 Taxation

Current income tax

The Authority asserts that as a Government Agency established by an Act of Parliament they are exempt from the payment of corporate taxes.

Other taxes

Revenues, expenses and assets are recognised net of the amount of VAT except where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. The net amount of value added tax recoverable from, or payable to, the Ghana Revenue Authority is included as part of accounts receivable or payable in the statement of financial position.

3.8 Foreign exchange transactions

The financial statements are presented in United States of America Dollars, which is also the functional currency of the Authority. Unless otherwise indicated all amounts are presented to the nearest US dollar.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Authority at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

3. Significant accounting policies (continued)

3.9 Biological assets

Consumable biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except in the event that the fair value of the asset cannot be measured reliably. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell shall be included in profit or loss for the period in which it arises.

Bearer biological assets and public welfare biological assets are measured at cost less accumulated depreciation and any accumulated impairment losses as they are considered as items of property, plant and equipment. Agricultural produce from bearer biological assets are however, measured at cost less depreciation.

3.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

3.11 Employee benefit provisions

A provision is recognized for end of service benefit entitlements of management. Amounts are accrued for each completed year of service. An expense is recognized, and a corresponding provision accrued each reporting year end.

End of service benefits

Provision has been made for end of service benefits of the Chief Executive Officer of the Authority as well as the Governing Board's members of the Authority. This has been calculated using the simplified projected unit credit method as stipulated by IAS 19 Employee Benefits on other long-term employee benefits.

3.12 Impairment of non-financial assets

Property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable Cash Generating Units (CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Authority evaluates impairment losses for potential reversals when events or circumstances may indicate such consideration is appropriate. The increased carrying amount of an asset shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

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7. Administrative expenses

	2016 US$'000	2015 US$'000
Personnel expenses- Indirect	2,713	1,863
Depreciation and amortization - Indirect	786	601
Insurance	77	85
Licenses and permits	15	12
Other consumables	166	22
Corporate social responsibility	-	4
Audit fees	75	40
Professional fees	317	828
Public relation and marketing	14	13
Office expenses	20	108
Rent and rates	97	103
Operations and maintenance expenses	167	238
Communication costs	42	49
Unrealized exchange differences	8,722	1,884
Utilities	13	26
Fuel and lubricants	111	180
Travel and transportation expenses	114	35
Training and development costs	90	45
Board expenses	66	53
Bank charges	241	268
Land administrative expenses	469	11
Environmental expenses	61	-
Fisheries development	10	-
	14,386	6,468

Professional fees are largely made up of legal consultancy and engineering services.

7a. Personnel expenses

	2016 US$'000	2015 US$'000
Included in cost of sales:		
Salaries and wages	1,545	1,433
Included in administrative expenses:		
Salaries and wages	860	499
Allowances	891	551
Retirement benefits	394	215
Bonus to staff	198	179
Other staff costs	370	419
	2,713	1,863
Total personnel expenses	4,258	3,296

Other staff costs include, medical insurances, secondment allowances and employee life assurance.

NOTES TO THE FINANCIAL STATEMENTS
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7b. Depreciation and amortisation

	2016 US$	2015 US$
Included in cost of sales		
Depreciation charge	16,249	16,081
Included in administrative expenses		
Depreciation charge	698	566
Total depreciation charged for the year	16,947	16,647
Amortisation charge	88	35
Total depreciation and amortisation charge for the year	17,035	16,682

Depreciation charged to cost of sales are attributable to items of property, plant and equipment that are used in the direct operations of the Bui Hydroelectric Power Dam.

8. Other operating expenses

	2016 US$'000	2015 US$'000
Legal fees	11	5
Subscriptions	11	14
Recruitment expenses	3	7
Protocol	-	10
Programs and Special Events	34	2
Corporate Social Responsibility (CSR)	29	118
Seminars, workshops and conferences	3	6
	91	162

9. Finance costs

	2016 US$'000	2015 US$'000
Effective interest on borrowings	23,543	25,005

10. Withholding taxes

The Authority asserts that, as a Government Agency established by an Act of Parliament they are exempt from the corporate taxes. Hence, neither tax expenses nor deferred taxes has been assessed for the reporting years. The Authority is however not exempted from the income taxes like withholding taxes, PAYE etc.

NOTES TO THE FINANCIAL STATEMENTS
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11a. Property, plant and equipment

2016	Dams, power house & civil works US$'000	Transmission networks US$'000	Land, buildings, roads, civil works US$'000	Generation, plant and machinery US$'000	Motor vehicles US$'000	IT & comm. equipment US$'000	Residential equipment, furniture & fittings US$'000	CWIP projects US$'000	Total US$'000
Cost									
As at 1 January 2016	335,957	118,485	229,693	139,406	2,330	390	565	41,547	868,373
Additions	3,822	-	6,346	2,807	996	96	455	3,762	18,284
Transfers	426	-	3,100	-	54	-	256	(3,410)	426
As at 31 December 2016	340,205	118,485	239,139	142,213	3,380	486	1,276	41,899	887,083
Accumulated depreciation									
As at 1 January 2016	6,529	8,002	3,937	8,281	672	123	174	---	27,718
Charge for the year	3,904	4,880	2,484	4,895	497	86	201	-	16,947
As at 31 December 2016	10,433	12,882	6,421	13,176	1,169	209	375	-	44,665
Net book value									
31/12/16	329,772	105,603	232,718	129,037	2,211	277	901	41,899	842,418
31/12/15	329,428	110,483	225,756	131,125	1,658	267	391	41,547	840,655

The Authority's property. plant and equipment have been used as collateral for loans and borrowings.
No borrowing cost was capitalised during the year.

During the year forest planation worth US$413,853 was transferred from biological assets to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

11b. Property, plant and equipment

2015	Dams, power house & civil works US$'000	Transmission networks US$'000	Land, buildings, roads, civil works US$'000	Generation, plant and machinery US$'000	Motor vehicles US$'000	IT & comm. equipment US$'000	Residential equipment, furniture & fittings US$'000	CWIP projects US$'000	Total US$'000
Cost									
As at 1 January 2015	335,902	118,485	222,941	139,406	2,038	353	381	10,953	830,459
Additions	55	-	6,752	-	292	37	184	30,594	37,914
As at 31 December 2015	335,957	118,485	229,693	139,406	2,330	390	565	41,547	868,373
Accumulated depOreciation									
As at 1 January 2015	2,646	3,122	1,581	3,395	220	46	61	-	11,071
Charge for the year	3,883	4,880	2,356	4,886	452	77	113	-	16,647
As at 31 December 2015	6,529	8,002	3,937	8,281	672	123	174	--	27,718
Net book value									
31/12/15	329,428	110,483	225,756	131,125	1,658	267	391	41,547	840,655
31/12/14	333,256	115,364	221,360	135,960	1,817	308	370	10,953	819,388

The Authority's property. plant and equipment have been used as collateral for loans and borrowings.
No borrowing cost was capitalised during the year.

12. Intangible assets

Computer software	2016 US$'000	2015 US$'000
Cost		
As at 1 January	516	397
Additions	3	119
As at 31 December	519	516
Amortisation		
As at 1 January	42	7
Charge for the year	88	35
As at 31 December	130	42
Total intangible assets	389	474

Intangible assets comprise software purchased by the Authority to aid in record keeping and inter-organisational communication.

13a. Biological assets

2016	Teak US$'000	Mahogany US$'000	Total US$'000
As at 1 January 2016:	284	130	414
Transfer to PPE	(284)	(130)	(414)
As at 31 December 2016:	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
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13b. Biological assets

2015	Teak US$'000	Mahogany US$'000	Total US$'000
As at 1 January 2015: Immature	236	7	243
As at 1 January 2015: Matured	283	128	411
Additions- Immature	1	2	3
Total	284	130	414

Consumable biological assets have been presented as biological assets in the statement of financial position as they are recognised as being living plants undergoing biological transformation under agricultural activity.

14. Inventories

	2016 US$'000	2015 US$'000
Spare parts and tools -consumables	41	21
Stationery	40	13
Safety materials	81	81
Other inventory	5	2
	167	117

There has been no write offs of inventory during the period under review. (2015: nil).

NOTES TO THE FINANCIAL STATEMENTS
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15. Trade and other accounts receivable

	2016 US$'000	2015 US$'000
Trade accounts receivable	203,306	138,145
Other receivables	94	107
Prepayments	230	182
	203,630	138,434

All amounts are short-term. The net carrying value of trade accounts receivable is considered a reasonable approximation of fair value.

Trade accounts receivable are amounts due to Bui Power Authority from the Electricity Company of Ghana (ECG) for the sale of hydroelectric power. ECG is currently the sole customer of the Authority.

Trade accounts receivable are non-interest bearing and are generally on terms of 30 to 90 days.

All of the trade and other accounts receivable in the comparative periods have been reviewed for indicators of impairment. No impairment has been recognised as at the year end.

16. Other financial assets

	2016 US$'000	2015 US$'000
Treasury bills	-	1,813
Fixed deposits	1,335	804
	1,335	2,617

Treasury bills are held for 182 days of maturity. Fixed deposits held by BPA are in the form of call accounts, hence they are considered as cash equivalents as they are highly liquid and are being held for cash management purposes.

17. Restricted cash flows

	2016 US$'000	2015 US$'000
CEXIM Escrow account	1,681	23,581
CEXIM Special joint account	-	12,399
CEXIM Payment Reserve account	1,015	13,641
	2,696	49,621

These represent accounts held with the China Export Import Bank (CEXIM) specifically for the repayment of loan facilities and the administration of funds drawn down.

NOTES TO THE FINANCIAL STATEMENTS
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18a. Cash and bank balances

	2016 US$'000	2015 US$'000
Cash balance	3	3
Bank balances	8,861	2,653
	8,864	2,656

These amounts are payable on demand and do not attract any interest.

18b. Cash and cash equivalents

	2016 US$'000	2015 US$'000
Cash balance	3	3
Bank balances	8,862	2,653
Fixed deposits (Note 16)	1,335	804
	10,200	3,460

19. Accumulated Fund

	2016 US$'000	2015 US$'000
Investment from Government of Ghana	76,514	76,514

This represents the total investment made by the Government of Ghana into the Authority.

20. Loans and borrowings

	2016 US$'000	2015 US$'000
Government on lent facilities (Note 20a)	369,054	365,481
Buyers credit facilities (Note 20b)	264,136	293,883
Agency account- Government of Ghana (Note 20c)	73,828	62,222
	707,018	721,586

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

20a. Government on lent facilities

	2016 US$'000	2015 US$'000
Concessional loans	289,703	286,899
Preferential Buyer's Credit	79,351	78,582
	369,054	365,481

Concessional loan and preferential buyer's credit facility engaged in 2008 and 2012 respectively by the Government of Ghana and the Chinese Government for the construction and operation of the Bui Hydroelectric Power Project have been on lent to the Authority.

20b. Buyers' credit facilities

	2016 US$'000	2015 US$'000
Buyers' credit facilities	264,136	293,883

Buyer's credit facilities were granted by the China Export Import Bank in 2007 and 2012, The loan facilities denominated in US$ and amounted to US$293,506,062 and US$76,206,939 in 2007 and 2012 respectively.

20c. Agency accounts- Government of Ghana

	2016 US$'000	2015 US$'000
Government of Ghana Agency account	73,828	62,222

This represents amounts contributed by Ghana COCOBOD as part of a Cocoa sales agreement intended to assist in loan repayment through the sale of cocoa beans to Genertec International Corporation, a Chinese produce buying company.

20d. Loans and borrowing

	2016 US$'000	2015 US$'000
Non-current portion	680,717	717,364
Current portion	26,301	4,222
	707,018	721,586

NOTES TO THE FINANCIAL STATEMENTS
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20e. Interest bearing loans and borrowings

Interest bearing loans and borrowings	Interest Rate p.a.	Maturity	2016 US$'000	2015 US$'000
Buyers credit facility-2007	5.94475%	21/11/2025	210,435	232,241
Buyers credit facility-2012	LIBOR+4%	21/11/2025	53,701	61,642
			264,136	293,883
Concessional loan	2.75%	15/07/2037	290,471	286,899
Preferential buyers credit facility	2.75%	15/07/2037	78,583	78,582
			369,054	365,481
Government of Ghana Agency Account			73,828	62,222
Total loans and borrowings			707,018	721,586

Interest payable is interest due on Buyers Credit facilities. The 2007 Buyers Credit attracts interest at 5.94475%. The 2012 Buyers Credit facility also attracts an interest rate of LIBOR+4%.

21. Trade and other accounts payable

	2016 US$'000	2015 US$'000
Trade accounts payable	8	1,483
Accrued expenses	770	545
Payroll liabilities	171	67
Other accounts payable	566	22
Withholding tax	-	4
	1,515	2,121

Trade accounts payable are non-interest bearing and are normally settled on 60-day terms.

Payroll liabilities are composed of Tier 1 and 2 pension payables, Credit Union and Welfare dues and other employee accounts payable.

22. Employee benefit obligation

	2016 US$'000	2015 US$'000
As at 1 January	486	387
Current service costs	(210)	140
Exchange difference	(18)	(41)
As at 31 December	258	486

Employee benefit obligation relates to Bui Power Authority's award of end of service benefits to Directors and Chief Executive Officer of the Authority. Directors are entitled to two (2) months of their basic salary for each completed year, upon the end of their service to the Authority. This increases to 4 months of their basic salary from the fifth (5) completed year of service. The Chief Executive Officer is, however entitled to 4 months of his/her basic salary for each completed year of service.

Net benefit expense recognised in the statement of profit or loss in relation to other long-term employee benefits are as follows:

	2016 US$'000	2015 US$'000
Net benefit expense recognized in profit or loss		
Current service costs	(210)	140
Exchange difference	(18)	(41)
	(228)	99

The following are the expected future payments of the employees benefit obligation.

The future payments of the employee benefits obligation are dependent on the exit or the resignation of any of the Members of the Governing Board who are entitled to these benefits.

NOTES TO THE FINANCIAL STATEMENTS
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23. Financial risk management objectives and policies

The Authority is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Authority's risk management is managed by the Finance Director, in close cooperation with the Governing Board, and focuses on actively securing the Authority's short to medium-term cash flows by minimising the exposure to volatile financial markets. Short-term financial investments are managed to generate lasting returns.

The most significant financial risks to which the Authority is exposed are described below.

Market risk analysis

The Authority is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk which result from both its operating and investing activities.

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority's exposure to the risk of changes in market interest rates relates primarily to loans and borrowings obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Authority's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax US$'000
2016	+100	+7,499
	-100	-7,499
2015	+100	+8,346
	-100	-8,346

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority's exposure to the risk of changes in foreign exchange rates relates primarily to the Authority's operating activities (when expenditure is denominated in a different currency from the Authority's functional currency.

	Changes in US$ rates	Effect on profit before tax US$'000
2016	+7.5	+16
	-7.5%	-16
2015	+4.8%	+7.4
	-4.8%	-7.4

NOTES TO THE FINANCIAL STATEMENTS
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23. Financial risk management objectives and policies (Continued)

Credit risk analysis

Trade accounts receivable

Credit risk is the risk that counterparty fails to discharge an obligation to the Authority. The Authority's main exposure for credit risk to Electricity Company of Ghana, the Authority's single customer. The Authority has no significant concentration of credit risk, since Government of Ghana has plan to avail loans for settling the outstanding accounts receivable from ECG.

Financial instruments and cash deposits

Credit risks from customers are managed by the Authority's Finance Department in accordance with the Authority's policy.

Liquidity risk analysis

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from the Chinese Government and other accounts payable.

The table below summarises the maturity profile of the Authority's financial liabilities based on contractual undiscounted payments (including interest payments):

Year ended 31 December 2016	**On demand US$'000**	**Less than 3 months US$'000**	**3 to 12 months US$'000**	**1 to 5 years US$'000**	**>5 years US$'000**	**Total US$'000**
Interest-bearing loans and borrowings					756,296	756,296
Trade and other accounts payable	1,515	-	-	-	-	1,515
	1,515	-	-	-	756,296	757,811

Year ended 31 December 2015	On demand US$'000	Less than 3 months US$'000	3 to 12 months US$'000	1 to 5 years US$'000	>5 years US$'000	Total US$'000
Interest-bearing loans and borrowings					860,384	860,384
Trade accounts and other payable	2,121	-	-	-	-	2,121
	2,121	-	-	-	860,384	862,505

NOTES TO THE FINANCIAL STATEMENTS
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24. Related party disclosures

Bui Power Authority was established by an Act of Parliament, Bui Power Authority ,2007 (Act, 740). Bui Power Authority is solely a government owned entity.

Related party transactions
The following pertains to transactions carried out with related parties for the years 2015 and 2016 respectively.

Government of Ghana invested US$76,514,075 into the set up and operations of Bui Power Authority at the inception of the Authority.

A Cocoa Sales Agreement was undertaken to assist in loan repayment through the sale of cocoa beans to Genertec International Corporation, a Chinese produce buying company. This agreement is partnered by the Ghana COCOBOD. Amounts contributed so far as detailed below:

	2016	2015
	US$'000	US$'000
Agency account-Government of Ghana	73,828	62,222

Government on lent concessional loan and preferential buyers credit facilities to Bui Power Authority. These facilities were thus moved from equity where they had been previously recognized to liabilities. Repayment of these facilities will begin on 15 July 2023 after a seven (7) year moratorium.

Transaction with Electricity Company of Ghana (ECG)
All Kilowatt power generated by the company was sold to the Electricity Company of Ghana.

Key management staff

	2016	2015
	US$'000	US$'000
Short term benefits	**314**	251
Post-employment	**258**	486
Other allowances	**66**	-
Total	**638**	737

25. Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The carrying amounts of the Authority's financial instruments approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS
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26. Post-reporting date events

An on-lending agreement between the Government of Ghana and Bui Power Authority dated on 5 January 2017 indicated that the Authority is to repay the Preferential Buyers Credit amounting to USD332,732,744 and the Concessionary Loan of USD1,185,602,025.
The conditions having existed, the financial statements have been made to reflect the two facilities as obligations of Bui Power Authority and not the Government of Ghana.

27. Decommissioning liability

Bui Power Authority is of the opinion that there will be no future decommissioning costs associated with the Bui Dam. It is believed that the Authority, being a Government owned entity will not be liable for the restoration of the land as the land is also Government owned.

28. Commitments

There were no contingent assets as at 31 December 2016. (2015: Nil). There were no contingent liabilities as at 31 December 2016. (2015: Nil).

29. Contingent assets and liabilities

Capital commitments

There were no capital commitments as of 31 December 2016. (2015: Nil).

Other commitments

The Authority has no other commitments as at 31 December 2016. (2015: Nil).

30. Authorisation of financial statements

The financial statements for the year ended 31 December 2016 (including comparatives) were approved by the Governing Board of the Bui Power Authority.

NOTES TO THE FINANCIAL STATEMENTS
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31. Restatement of financial statements

Restatement of restricted cash

The Authority restated its previously issued financial statements to correct errors in the presentation of Restrict Cash Balances and Loan and Borrowings
Specifically, the Statement of Financial Position as at 31 December 2015 was restated, resulting in a decrease in Restrict Cash and Loans and Borrowings by USD 42,820,000.

The error has been corrected by restating each of the affected financial statements line items for the prior periods, as follows:

	As previously stated US$'000	Adjustment US$'000	Restated US$'000
Restricted cash	92,441	(42,820)	49,621
Loans and borrowings	760,184	(42,820)	717,364

Restatement of accumulated depreciation

The depreciation charged for the year ended 2015 was also noted to have been understand due to errors in classification of assets in the asset register. Hence the accumulated depreciation as at 31 December 2015 has been restated and the depreciation charged for the year ended 31 December 2015.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

	As previously stated US$'000	Adjustment US$'000	Restated US$'000
Cost of sales	10,676	6,985	17,661
Administrative expense	6,334	134	6,468
Profit after tax	47,567	(7,119)	40,448
Property, plant and equipment	847,774	(7,119)	840,655
Total equity	317,914	(7,119)	310,795

Impact on statement of profit or loss (increase/(decrease) in profit)	**31 December 2015 US$'000**
Cost of sales	(6,985)
Administrative expenses	(134)
Net impact on profit for the year	(7,119)