



FINANCIAL STATEMENTS

31 DECEMBER 2023

BUI POWER AUTHORITY

**FINANCIAL STATEMENTS
31 DECEMBER 2023**

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BUI POWER AUTHORITY

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GENERAL INFORMATION

Board of Directors

Hon. Kwasi Ameyaw-Cheremeh	Chairman
Hon. Samuel Kofi Ahiave Dzamesi	Member- CEO
Dr. Mrs. Rebecca Acquaaah-Arhin	Member
Nana Ama Tima Boakye	Member
Kwame Appia Kyei	Member
Hon. Paul Twum Barimah	Member
Hon. Salifu Saeed	Member

Registered Office

No. 11 Dodi Link,
Airport Residential Area
Accra, Ghana

Auditor

Donaldy Associates
Chartered Accountants
3rd Floor, House of Excellence Annex
Harper Road, Adum
Kumasi

Solicitor

Kwabena Asare Atuah ESQ
Henewa Chambers
H/No. D 47/2
Dominase Sunyani
Bono Region

Bankers

Zenith Bank Ghana Limited
Ecobank Ghana Limited
Agriculture Development Bank
Ghana Commercial Bank
Fidelity Bank
Prudential Bank
First Atlantic Bank

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CORPORATE GOVERNANCE OVERVIEW

Bui Power Authority is committed to the principles and implementation of good corporate governance in accordance with the principles and practices in the Corporate Governance manual for Governing Boards/Councils of the Ghana Public Service.

The objectives of the Authority's corporate governance are:

- i. To recognize the valuable contribution that it makes to long-term business prosperity;
- ii. To promote the interest of stakeholders by enhancing performance and accountability;
- iii. To promote and maintain public trust and confidence; and
- iv. To adopt standard accounting practices to ensure sound internal control to facilitate the reliability of the financial statements.

These objectives have been articulated in a number of corporate documents, including the Bui Power Authority Act, 2007 (Act 740), board charter, rules of procedures for boards, a code of conduct for directors, and rules of business ethics for staff.

The Board of directors

The board is responsible for setting the Authority's strategic direction, leading and controlling the institution, and monitoring the activities of management. As of 31 December 2023, the board of directors of Bui Power Authority consisted of six (6) Non-Executive Directors and one (1) Executive Director in compliance with section 2 of the Bui Power Authority Act, 2007 (Act 740). The board members, except the Chief Executive Officer, are independent of management and free from any constraints which could materially interfere with the exercise of their independent judgement. The board members have wide experience and in-depth knowledge in management, industry, technology, and financial markets which enables them to make informed decisions and valuable contributions to the Authority's progress. The Chief Executive Officer is a separate individual from the Chairman who implements the strategies and policies adopted by the board. The board met five times (5) times during the year, which meet the minimum required meetings of the Corporate Governance manual for Governing Boards/Councils of the Ghana Public Services and section 4 of the Bui Power Authority, 2007 (Act 740).

Schedule of board meetings held in 2023

Attendance at the meetings is as follows:

Member	Board Meeting
Hon. Kwasi Ameyaw - Cheremeh	5/5
Hon. Samuel Kofi Ahiave Dzamesi	5/5
Dr. Mrs. Rebecca Acquah-Arhin	5/5
Nana Ama Tima Boakye	5/5
Kwame Appia Kyei	5/5
Hon. Paul Twum Barimah	5/5
Hon. Salifu Saeed	5/5

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The board has the overall responsibility of the Authority, including approving and overseeing the implementation of the strategic objectives, risk, strategy, corporate governance, and corporate values. The board is responsible for appointing and providing oversight of senior management and ensures a well-structured and rigorous selection process in line with the fit and proper directive in place.

The Board and its committees

The board is accountable for the long-term success of the Authority and it is responsible for ensuring leadership, approving strategy, and ensuring that the Authority is suitably resourced to achieve its strategic aspirations. In doing so, the board considers its responsibilities, and the impact of its decisions on its stakeholders including, employees, customers, suppliers, the environment, and the communities the Authority operates in.

The board also delegates certain responsibilities to its committees to ensure its independent oversight. In addition, the board also delegates authority for the operational management of the Authority to the chief executive officer and management in respect of matters which are necessary for the day-to-day running of the Authority.

The board remains very diverse with a distinctive mixture of backgrounds, experience, and skills. Risk and governance, government and stakeholder relationships, strategy and budget, financial performance oversight, business development, and people were some of the key activities the board focused its time on during the year as it provided guidance to management in steering the Authority.

Board roles and key responsibilities

Chairman

The chairman is responsible for leading the board and its overall effectiveness and governance, leading in evaluating and monitoring compliance with the Authority's policies and governance processes, promoting a high standard of integrity, and ensuring effective communication between the board, management, and other stakeholders.

Chief executive officer

The chief executive officer is responsible for managing all aspects of the Authority's businesses, developing strategies in conjunction with the chairman and the board, and leading its implementation.

Board of directors

The board enquires about the success of the Authority by setting the strategic direction, establishing the risk appetite, and continuously monitoring and improving the board's performance.

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Board committees

The board made a conscious decision to delegate a broader range of issues to the board committees, namely finance, audit, technical, resource and environment, and general services committees. The linkages between the committees and the board are critical for the smooth running of the Authority. The board duly received minutes and updates from each of the committee's meetings throughout the reporting period. The Authority has an effective mechanism in place to ensure that there are no gaps or unnecessary duplication between the remit of each committee. The main board also determines the terms of reference for all subcommittees and they report back to the board.

Finance committee

The finance committee is mandated to assist the board in providing strategic direction for the Authority and see to the implementation of the Authority's strategy in relation to finance and procurement-related matters. It also reviews the financial, operational, and business performance of the Authority and makes recommendations to the board on ways to improve the performance of the Authority.

The Committee assesses the financial performance of the Authority, advice on investment, monitor and manages the impact on the Authority's liquidity of significant income and expenditure items, recommend changes to the financial policies and controls, review the Authority's annual budget and makes recommendations for the board's approval, financial forecasts, and annual or interim financial statements and monitor operational financial performance against business plan among others. The Finance committee is made up of members who are non-executive directors.

Audit committee

The committee is made up of two (2) non-executive directors and three (3) external members appointed in line with the Public Financial Management Act, 2016 (Act 921). The audit committee is mandated to assist the board to discharge its responsibilities of safeguarding the Authority's assets, maintaining adequate accounting records, developing and maintaining effective systems of internal control, providing oversight of the independence of the financial reporting process and objectivity of the external auditor, internal financial process and monitor the Authority's compliance with applicable regulations and legislation. The Committee provides a report at each meeting to the board.

Resource & environment committee

The resource & environment committee has oversight responsibilities on behalf of the board to advise on environmental issues and usage of the acquired land. The roles of this committee include but are not limited to the following: to propose ways in which the Authority can foster an increased awareness of environmental issues within the Bui enclave, advise on environmental-related policies and activities of the Authority on behalf of the Board to ensure that the Authority is in compliance with the appropriate laws and legislation to share and adopt best practice on environmental issues. The resource & environment committee is made up of members who are non-executive directors.

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Technical committee

The technical committee is responsible for advising on operating, maintenance, and project activities. The committee assists the Board in fulfilling its obligations and responsibilities by engaging in discussions related to the technical aspects of the operations of the Authority to aid the board to have informed technical knowledge. The committee also oversees on behalf of the Board the setting and delivery of the technology and operations strategies and ensures these strategies support the Authority's business strategy. The technical committee is made up of members who are non-executive directors and provides a report at each meeting of the board.

General services committee

The role of this committee includes but is not limited to the following: oversee and review the implementation of the Authority's workforce strategy to ensure it aligns with the vision, mission, and values of the Authority; review and recommend to the board for approval any significant changes to the workforce strategy; advise on the Authority's corporate social responsibility strategies; provide guidance on the implementation of legal, human resources and corporate affairs policies. The General Services committee is made up of two (2) members who are non-executive directors and provides a report at each meeting of the board on their deliberations.

Code of conduct

As part of the Authority corporate governance practice, the board has imposed upon themselves a code of conduct which defines the personal conduct of members, relationship with the organization and its staff members, especially management, attendance and active participation at meetings by members, adherence of the oath of secrecy, oath of office and unauthorized disclosure of information.

Recruitment, induction and training of new directors

Individuals selected to be members of the board have an appropriate diversity of skills and come from professional backgrounds necessary to provide the needed direction for the Authority. All new directors to the board are provided with a letter of appointment stating clearly the terms which shall govern their appointment after all the necessary regulatory approvals have been received with respect to the changes. The term of the directors is governed by the provision of the law establishing the Authority. New board members participate in a comprehensive induction program covering the Authority's financial, strategic, operational, and risk management overviews.

Board qualifications and composition

In accordance with the Corporate Governance manual for Governing Boards/Councils of the Ghana Public Services, all board members are qualified for the position and remain qualified through training for their positions. They have a clear understanding of their role in corporate governance and are able to exercise sound and objective judgement about the affairs of the Authority. They also possess, individually and collectively, appropriate experience, competencies, and personal qualities, including professionalism and integrity.

Remuneration structure

The directors receive fixed fees or allowances determined by the board in accordance with the prevailing guidelines issued by the Minister of Finance for serving on the board and its sub-committees.

Board performance evaluation

The board hereby certifies that it has complied with the directives on board performance evaluation as stated in the Corporate Governance manual for Governing Boards/Councils of the Ghana Public Services.

Business strategy

In the year under review, the board approved and monitored the overall business strategy of the Authority, taking into account the long-term financial interest of the Authority, its exposure to risk, and its ability to manage risk effectively. This was in line with the Corporate Governance manual for Governing Boards/Councils of the Ghana Public Services.

Risk management and internal controls

The board has put an effective internal control system in accordance with the Public Financial Management Act, 2016 (Act 921) and has risk management in place. The key management personnel holding these roles have sufficient authority, independence, resources and access to the board. Internal controls have been designed to ensure that each key risk has a policy, process, or other measures, as well as a control to ensure that such policy, process, or other measure is being applied and works as intended.

Key management oversight

The oversight responsibilities of the board include among others working with management to determine the organization's mission and long-term strategy and policies including the risk tolerance/appetite; promoting sustainable and cost-efficient activities of the organization; establishing and promoting the objectives, business, and integrity of the organization; establishing internal control over financial reporting, and assessing the organization's risks and strategies for risk mitigation; monitoring the performance of management in achieving set objectives of the organization and requesting appropriate reports from management.

The board has established a management structure that promotes accountability and transparency and oversees the implementation of appropriate systems for managing risks – both financial and non-financial to which the Authority is exposed.

The Authority has engaged skilled and competent staff and provides training and development opportunities to sustain the delivery of short and long-term business objectives and the risk management framework that protects the reputation of the Authority.

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Corporate culture and values

The Authority has established a corporate culture and values that promote and reinforces norms for responsible and ethical behaviour in terms of the Authority's risk awareness, risk-taking, and risk management. This is achieved by the Authority through its board members' setting and adhering to corporate values for itself. Key management and employees also create expectations that business should be conducted in a legal and ethical manner at all times. The corporate values and professional standards set together with supporting policies and appropriate sanctions for unacceptable behaviour are communicated to all employees.

Separation of powers

There is clearly in place a division of responsibilities between the positions of the board chair and the chief executive officer in accordance with the Corporate Governance manual for Governing Boards/Councils of the Ghana Public Services.

Conflict of interest

The Authority's directors have a statutory duty not to place themselves in a position that gives rise to a real or substantial possibility of conflict of interest or duty about any matter which is, or is likely to be brought before the board. At no time during the year did any director hold a material interest in any contract of significance with the Authority. The board reviews actual or potential conflicts of interest annually.

Compliance declaration

The board declares that the Authority has complied with the corporate governance directive for the corporate governance manual for Governing Boards/Councils of the Ghana Public Services.

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

The directors present their report together with the audited financial statements of the Authority for the year ended 31 December 2023.

Director's responsibility statement

The directors are 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 2023, 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 in the manner required by the Bui Power Authority Act, 2007 (Act 740) as amended by Bui Power Authority Act 2020 (Act 1046).

The directors are also responsible for such internal control as they 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 directors have made an assessment of the ability of the Authority to continue as a going concern and has no reason to believe that the business will not be a going concern in the year ahead.

Results of operations

The results of the operations for the year ended 31 December, 2023 are as set out in the statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, the Statement of Cash Flows and the Notes to the Financial Statements.

The operations for the year resulted in a surplus of US\$80.64 million as against US\$79.22 million for 2022. Total assets as at 31 December, 2023 was US\$1.64 billion as against US\$1.52 billion in 2022.

Nature of business

The main activities of the Authority are to plan, execute and manage the Bui Hydroelectric Power Project which comprises the generation of electrical power, the construction of a transmission system and the supply of electrical power. There was no change in the nature of business of the Authority during the year.

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

Directors in office

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

Hon. Kwasi Ameyaw–Cheremeh	Chairman
Hon. Samuel Kofi Ahiave Dzamesi	Member- CEO
Dr. Mrs. Rebecca Acquaaah-Arhin	Member
Nana Ama Tima Boakye	Member
Kwame Appia Kyei	Member
Hon. Paul Twum Barimah	Member
Hon. Salifu Saeed	Member

Going concern

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

Events after the reporting date

The board confirms that no matter has arisen since 31 December, 2023 which materially affects the financial statements as presented.

Approval of the financial statements

The financial statements were approved by the board of directors on 10th May, 2024 and signed on their behalf by:



**Hon. Kwasi Ameyaw-Cheremeh
Board Chairman**



**Hon. Samuel Kofi Ahiave Dzamesi
Chief Executive Officer**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BUI POWER AUTHORITY
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

Our Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Bui Power Authority as at 31 December 2023, and of its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and with the International Accounting Standard (IAS) 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Bui Power Authority Act, 2007 (Act 740) as amended by Bui Power Authority Act, 2020 (Act 1046).

What we have audited

We have audited the financial statements of Bui Power Authority for the year ended 31 December, 2023.

The financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Authority in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards (the Code) issued by the International Ethics Standards Board for Accountants that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Authority's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="245 315 608 342">Impairment of trade receivables</p> <p data-bbox="245 376 786 506">Gross trade receivables as at 31 December 2023 amount to US\$732.11 million of which an impairment loss allowance of US\$7.30 million has been recognized.</p> <p data-bbox="245 539 786 669">Management applied a simplified approach (provision matrix) to determine the impairment loss allowance which is based on expected credit loss (ECL).</p> <p data-bbox="245 703 786 797">Management exercises significant judgements and makes assumptions in the impairment exercise.</p>	<p data-bbox="802 376 1353 470">We evaluated the design and tested the operating effectiveness of controls around the revenue and receivables.</p> <p data-bbox="802 504 1353 568">We tested the ageing analysis of trade receivables to assess the appropriate classification.</p> <p data-bbox="802 602 1353 667">We agreed on inputs in the ECL calculation to historical data.</p> <p data-bbox="802 701 1353 831">We assessed the appropriateness and adequacy of assumptions and judgements made by management and the related disclosures made in the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises General Information, Chairman’s Statement, Directors’ Report, and the Corporate Governance Overview. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Bui Power Authority Act, 2007 (Act 740) and Bui Power Authority Act, 2020 (Act 1046) 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 directors are responsible for assessing the 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 governing council either intends to recommend to liquidate the Authority or to cease operations or have no realistic alternative but to do so.

The directors are responsible for overseeing the Authority’s financial reporting process.

Auditor's responsibility

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 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 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 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 skepticism throughout the audit. We also:

- Identify and assess the risk 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 Authority's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the 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 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 Authority 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Authority to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action is taken to eliminate threats or safeguards applied.

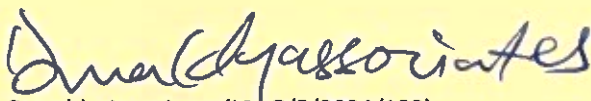
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Bui Power Authority Act, 2007 (Act 740) as amended by Bui Power Authority Act, 2020 (Act 1046) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion proper books of account have been kept by the Authority, so far as appears from our examination of those books; and
- iii) The Authority's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Robert Donaldy (ICAG/P/1113).



Donaldy Associates (ICAG/F/2024/100)

Chartered Accountants

House of Excellence Annex, Adum

Kumasi, Ghana

13th May, 2024

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Note	US\$'000	US\$'000
Revenue	5	157,105	158,802
Cost of generation	6	<u>(34,680)</u>	<u>(34,738)</u>
Gross profit		122,425	124,064
Other income	7	2,228	3,343
Operating expenses	8	(1,527)	(1,877)
Administrative expenses	9	<u>(32,118)</u>	<u>(34,506)</u>
Operating profit		91,008	91,024
Finance costs	10	<u>(10,364)</u>	<u>(11,806)</u>
Profit before tax		80,644	79,218
Tax expense	11	-	-
Profit after tax		<u>80,644</u>	<u>79,218</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>80,644</u>	<u>79,218</u>

The annexed notes form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Note	US\$'000	US\$'000
Non-current assets			
Property, plant and equipment	12	865,997	869,449
Intangible assets	13	553	-
Investment in associate	14	6	6
Trade receivables	16	<u>607,632</u>	<u>506,020</u>
Total non-current assets		<u>1,474,188</u>	<u>1,375,475</u>
Current assets			
Inventories	15	23,989	15,085
Trade and other receivables	16	138,066	120,023
Escrow account	17	1	1
Cash and cash equivalents	18	<u>3,040</u>	<u>6,046</u>
Total current assets		<u>165,096</u>	<u>141,155</u>
Total assets		<u>1,639,284</u>	<u>1,516,630</u>
Equity			
Ghana government investment fund	19	76,514	76,514
Retained earnings		<u>624,238</u>	<u>543,594</u>
Total equity		<u>700,752</u>	<u>620,108</u>
Non-current liabilities			
Loans and borrowings	20(d)	840,977	805,122
Trade payables	21	29,945	33,411
Bui land compensation provision	22	10,000	10,000
Deferred income	23	469	499
Deferred grant/donor partner	24	<u>68</u>	<u>72</u>
Total non-current liabilities		<u>881,459</u>	<u>849,104</u>
Current Liabilities			
Loans and borrowings	20(d)	35,908	31,341
Trade and other payables	25	12,118	10,091
Employee benefit obligations	26	<u>9,047</u>	<u>5,986</u>
Total current liabilities		<u>57,073</u>	<u>47,418</u>
Total liabilities		<u>938,532</u>	<u>896,522</u>
Total equity and liabilities		<u>1,639,284</u>	<u>1,516,630</u>

The financial statements were approved by the Board on 10th May, 2024 and were signed on their behalf by:


 Hon. Kwasi Ameyaw-Cheremeh
 Board Chairman


 Hon. Samuel Kofi Ahiave Dzamesi
 Chief Executive Officer

The annexed notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

Year ended 31 December 2023	Ghana Government Investment fund	Retained earnings	Total
	US\$'000	US\$'000	US\$'000
Balance at 1 January 2023	76,514	543,594	620,108
Profit for the year	<u>-</u>	<u>80,644</u>	<u>80,644</u>
Balance at 31 December 2023	<u>76,514</u>	<u>624,238</u>	<u>700,752</u>
Year ended 31 December 2022			
Balance at 1 January 2022	76,514	464,376	540,890
Profit for the year	<u>-</u>	<u>79,218</u>	<u>79,218</u>
Balance at 31 December 2022	<u>76,514</u>	<u>543,594</u>	<u>620,108</u>

The annexed notes form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 US\$'000	2022 US\$'000
Operating activities			
Profit before tax		80,644	79,218
Adjustments for:			
Depreciation of property, plant & equipment		25,284	24,350
Amortization of intangible assets		97	-
Profit on disposal of fixed assets		(50)	-
Interest income		(121)	(118)
Interest expense		<u>10,364</u>	<u>11,806</u>
Operating profit before working capital changes		116,218	115,256
Changes in inventories		8,904	216
Changes in escrow account		-	6,451
Changes in trade and other receivables		(119,655)	(107,672)
Changes in trade and other payables		(1,439)	(23,454)
Changes in deferred income		(30)	72
Changes in deferred Grant/ Donor Partner		(4)	(4)
Changes in employee benefit obligation		<u>3,061</u>	<u>5,257</u>
Cash used in operations		(10,753)	(3,878)
Interest received		121	118
Interest paid		<u>(10,364)</u>	<u>(11,806)</u>
Net cash used in operating activities		(20,996)	(15,566)
Investing activities:			
Purchase of property, plant, and equipment		(21,831)	(13,335)
Proceeds from disposal of fixed assets		50	-
Purchase of intangible assets		<u>(650)</u>	<u>-</u>
Net cash used in investing activities		(22,431)	(13,335)
Financing activities			
Receipt of government loans		<u>40,421</u>	<u>31,119</u>
Net cash generated from financing activities		40,421	31,119
Net (decrease)/Increase in cash and cash equivalents		(3,006)	2,218
Cash and cash equivalents as at 1 January		<u>6,046</u>	<u>3,828</u>
Cash and cash equivalents as at 31 December	18	<u>3,040</u>	<u>6,046</u>

The annexed notes form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

1. Corporate Information

Bui Power Authority was established by an Act of Parliament under Bui Power Authority Act, 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. The principal activity of the Authority is primarily involved in planning, executing, and managing the Bui Hydroelectric Project. The Bui Power Authority Act 2007, (Act 740) was amended in 2020 to also assume the functions of the Renewable Energy Authority proposed under section 53 of the Renewable Energy Act, 2011 (Act 832) and function assigned by the Minister Responsible for Energy in the area of renewable energy. These functions were added to the original functions of BPA under section 11 of the amended Act.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of Bui Power Authority have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Bui Power Authority Act, 2007 (Act 740) as amended.

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, the actual outcome could differ from those estimates. Significant estimates and assumptions are included in Note 4.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except when otherwise stated.

2.3 Functional and presentation currency

The financial statements are presented in United States of America Dollars (US\$) which is the Authority's functional currency. All amounts have been rounded to the nearest thousand unless otherwise indicated.

2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Authority's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

3. Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Revenue

Revenue from the sale of electricity is recognised when electricity is supplied to off-takers.

To determine whether to recognise revenue, Bui Power Authority follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised when the performance obligation with the off-takers has been met and the transaction price can be reliably measured at a rate approved by the Public Utility Regulatory Commission (PURC) as per the power purchase agreement.

Power Supply Income: Revenue is recognised upon delivery of electricity to the off-taker and it is stated at the fair value of the consideration received/receivable. Bui Power Authority recognises electricity supply income from the amount of revenue arising from the agreement between the Authority and the off-takers.

3.2 Inventories

Inventories are measured at the lower of cost and net realizable value using the weighted average cost principle. Cost comprises expenditure incurred in the normal course of business. Net Realisable Value (NRV) is the estimated selling price in the ordinary course of the business less estimated selling expenses. Provision is made for obsolete, slow moving and defective stocks as and when determined.

3.3 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 to get ready for its intended use or sale are capitalized as part of the cost of the asset. All borrowing costs in relation to the construction of the dam and other civil works are capitalized. Other borrowing costs are expensed in the period in which they occur.

3.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and bank balances 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 cash and cash equivalents.

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

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

Escrow account

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

3.5 Provisions

General

A provision is recognized when the Authority has a present obligation (legal or constructive) as a result of a past event and 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. Provisions are determined by discounting expected future cash flows at pre-tax rates that reflect current risks specific to the liability.

3.6 Taxation

Current income tax

The Authority asserts that as a government agency established by an Act of Parliament, it is exempt from the payment of corporate taxes and deferred taxes.

Other taxes

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT) except where the VAT incurred on the purchase of goods and services is not recoverable from the tax authority, in which case the VAT 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 VAT recoverable from, or payable to, the Ghana Revenue Authority is included as part of accounts receivable or payable in the statement of financial position.

3.7 Foreign currency

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

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 in settlement or translation of monetary items are recognised in profit or loss.

3.8 Intangible assets

Software

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. Amortisation is recognized in the profit or loss on a straight line basis over estimated useful life of the software from the date it is available for use. The estimated useful life for software is 5 years.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in 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.

3.9 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. 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 costs

The cost of replacing part 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. The costs of the day-to day-servicing of property, plant and equipment are recognised in profit or loss, as incurred.

Spare parts, stand-by and servicing equipment held by the Authority generally are classified as inventories. However, if major spare parts and stand-by equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment.

The Authority derecognises the carrying amount of a part of an item of property, plant and equipment if that part has been replaced and the Authority has included the cost of the replacement in the carrying amount of the item.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight -line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Dams, powerhouse & civil works	25 - 100 years
Generating plant and machinery	15 - 40 years
Transmission 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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in profit or loss.

(iv) Capital work in progress

Property, Plant and Equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

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.

3.10 Employee benefits obligation

(a) Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined Contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution schemes are recognized as an expense in profit or loss in periods during which services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

Tier 1 and Tier 2 Contributions

Under a national pension scheme, the Authority contributes 13% of employee's basic salary for employee pensions whereas the employee contributes 5.5% of basic salary. The Authority's obligation is limited to the relevant contributions, which have been recognized in the financial statements.

The national pension scheme is made up of two mandatory tiers. The first tier which receives 13.5% of the total contribution is managed by the Social Security and National Insurance Trust (SSNIT) whereas the second tier which receives 5% of total contribution is managed by Enterprise trustee. The pension liabilities and obligations for these contributions rest with SSNIT and Enterprise trustee.

Tier 3 – Provident Fund

The Authority has a voluntary Tier 3 provident fund scheme for staff to which the Authority contributes 10% basic salaries of staff whereas the employee contributes 5% of basic salary. Obligations under the plan are limited to the relevant contributions, which are charged to profit or loss as and when they fall due.

(c) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liabilities of the Authority arising from the defined benefit obligations and related current service costs are determined on an actuarial basis using the projected unit of credit method. The Authority uses this method to determine the present value of defined benefit obligations, related current service costs and where applicable, past service costs. Actuarial gains or losses, which arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what actually occurred are recognized immediately in other comprehensive income.

The Authority determines the net interest expense on the net defined benefits liability for the period by applying the discount rate used to measure the defined obligation at the beginning of the annual period to the then – defined benefit liability during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

3.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is 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 profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Authority.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

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 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.

4. 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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

4.1 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 statements 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.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

Bui Power Authority reviews for impairment, the estimated useful life of property, plant and equipment at the end of each reporting period.

5.0 Leases

The Authority assesses at contract inception whether a contract is, or contains, lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Authority acting as a lessor

At inception or on modification of a contract that contains a lease component, the Authority allocate the consideration in the contract to each lease component on the basis of their stand-alone prices. When the Authority act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Authority make overall assessment of whether the lease transfers substantial all of the risk and rewards incidental to ownership of the underlying assets. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Authority consider certain indicators such as whether the lease are for the major part of the economic life of the asset.

The Authority recognize lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
5. Revenue

	Revenue from sale of electricity	Power generated Kilowatt hour in thousands
2023	US\$'000	
Revenue from Sales of Electricity	155,217	1,515,788
Transmission Assets Investment Recovery Charge	<u>1,888</u>	-
	<u>157,105</u>	<u>1,515,788</u>
2022		
Revenue from Sales of Electricity	158,427	1,547,117
Transmission Assets Investment Recovery Charge	<u>375</u>	-
	<u>158,802</u>	<u>1,547,117</u>

The Authority sells electricity generated by its hydroelectric plant to the Electricity Company of Ghana (ECG). The Authority's reactive power is sold to Ghana Grid Company Limited (GRIDCO). Per the power purchase agreement between the Ministry of Energy (on behalf of Bui Power Authority), the Electricity Company of Ghana and Ghana Grid Company Limited, all forms of power are sold using prices as defined by the Public Utility Regulatory Commission (PURC). The transmission assets recovery charge relates to the recovery of Bui Power Authority's transmission asset investment costs incurred. The recovery charge is based on approved tariff of electricity transmitted by Ghana Grid Company Limited.

6. Cost of Generation

	2023	2022
	US\$'000	US\$'000
Direct Labour Costs	4,715	5,608
Direct Consumables Expenses	2,866	3,388
Direct Operational and Maintenance Expenses	3,511	2,659
Depreciation Charge (COS)	<u>23,588</u>	<u>23,083</u>
	<u>34,680</u>	<u>34,738</u>

These costs are directly attributable to the generation of hydroelectric power.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
7. Other Income

	Note	2023 US\$'000	2022 US\$'000
Rent Income		967	966
Foreign Exchange Differences		530	2,044
BPA Children's Garden/Nursery		26	27
Interest on Accounts		121	118
Miscellaneous Income		530	184
Gain on disposal of fixed assets		50	-
Grant	24	<u>4</u>	<u>4</u>
		<u>2,228</u>	<u>3,343</u>

8. Operating Expenses

	2023 US\$'000	2022 US\$'000
Repairs & Maintenance-General	282	265
Corporate Meetings	40	23
Casual Labour	19	18
Printing & Stationery	78	99
IT Equipment Spare & Consumables	289	529
Vehicle Maintenance	174	184
IT Support & Maintenance	17	70
General Materials	383	354
Building Maintenance Materials	26	99
Freight, Penalty, Demurrage & Others	-	1
Regulatory & Supervisory Cost	109	197
Project Affected People	2	2
Auto Equipment Spare	<u>108</u>	<u>36</u>
	<u>1,527</u>	<u>1,877</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
9. Administrative Expenses

	Note	2023 US\$'000	2022 US\$'000
Audit Fees		28	27
Bank Charges		45	75
Board Expenses		171	189
Communications		30	29
Depreciation & Amortization – Indirect	9b	2,001	1,870
Environmental Expenses		-	1
Cleaning & Sanitation		69	84
Courier & Postal Services		1	1
Fuel		597	653
Impairment Provision		1,159	1,061
Insurance		2,217	1,551
Licenses & Permits		33	32
Office Expenses		48	24
Other Consumables		708	642
Personnel Expenses – Indirect	9a	15,745	15,616
Public Relation & Marketing		51	44
Professional Fees		1,056	2,206
Rent & Rates		1	1
Training & Development		355	382
Travel & Transportation		373	318
Foreign Exchange Difference		5,083	7,160
Utilities		101	67
Security		147	201
Legal fees		1	-
Subscription		97	121
Recruitment Expenses		1	9
Programs & Special Events		112	80
Corporate Social Responsibility (CSR)		683	910
Seminars, Workshops & Conferences		1,163	1,051
Compensation Expense		42	101
		<u>32,118</u>	<u>34,506</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
9a. Personnel Expenses

	2023	2022
	US\$'000	US\$'000
Included in Cost of Generation:		
Salaries and wages	<u>4,715</u>	<u>5,608</u>
	<u>4,715</u>	<u>5,608</u>
Included in Administrative Expenses:		
Salaries and wages	4,517	4,112
Allowances	4,543	4,460
Long-term Employee Benefit	4,893	5,589
SSNIT and Provident Fund Contribution	901	841
Bonus	805	493
Other staff costs	<u>86</u>	<u>121</u>
	<u>15,745</u>	<u>15,616</u>
Total Personnel Expenses	<u>20,460</u>	<u>21,224</u>

9b. Depreciation and Amortisation

	2023	2022
	US\$'000	US\$'000
Included in Cost of Generation		
Depreciation Charge	23,588	23,083
Included in Administrative Expenses		
Depreciation Charge	<u>1,904</u>	<u>1,870</u>
Total depreciation charged for the year	<u>25,492</u>	<u>24,953</u>
Amortization Charge	<u>97</u>	<u>-</u>
Total Depreciation and Amortization	<u>25,589</u>	<u>24,953</u>

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

10. Finance Costs

	2023	2022
	US\$'000	US\$'000
Interest on Borrowings	<u>10,364</u>	<u>11,806</u>

11. Taxation

The Authority as a Government Agency established by an Act of Parliament is exempt from the payment of corporate taxes. Hence, neither income tax expense nor deferred taxes have been computed and recognised in the current year and previous years.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

12a. Property, Plant and Equipment - 2023
2023

Cost	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	Capital work in progress projects US\$'000	Total US\$'000
As at 1 January 2023	340,205	133,364	294,341	201,535	5,663	7,889	9,554	44,755	1,037,306
Additions	-	-	-	-	980	50	34	21,065	22,129
Transfers	-	-	418	9,609	-	-	68	(10,095)	-
Disposal	-	-	-	-	(297)	-	-	-	(297)
As at 31 December 2023	<u>340,205</u>	<u>133,364</u>	<u>294,759</u>	<u>211,144</u>	<u>6,346</u>	<u>7,939</u>	<u>9,656</u>	<u>55,725</u>	<u>1,059,138</u>
Accumulated Depreciation									
As at 1 January 2023	34,128	44,956	26,584	47,892	3,811	4,662	5,824	-	167,857
Charge for the Year	3,949	5,519	3,943	8,475	730	1,701	1,177	-	25,494
Disposal	-	-	-	-	(210)	-	-	-	(210)
As at 31 December 2023	<u>38,077</u>	<u>50,475</u>	<u>30,527</u>	<u>56,367</u>	<u>4,331</u>	<u>6,363</u>	<u>7,001</u>	<u>-</u>	<u>193,141</u>
Carrying Amount- 31/12/23	<u>302,128</u>	<u>82,889</u>	<u>264,232</u>	<u>154,777</u>	<u>2,015</u>	<u>1,576</u>	<u>2,655</u>	<u>55,725</u>	<u>865,997</u>
Carrying Amount- 31/12/22	<u>305,077</u>	<u>88,408</u>	<u>267,757</u>	<u>153,643</u>	<u>1,852</u>	<u>3,227</u>	<u>3,730</u>	<u>44,755</u>	<u>869,449</u>

BUI POWER AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

12b. Property, Plant and Equipment- 2022

	Dams, power house & civil works	Transmission networks	Land, buildings, roads, civil works	Generation, plant and machinery	Motor vehicles	IT & comm. equipment	Residential equipment, furniture & fittings	Capital work in progress projects	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost	340,205	133,364	294,341	200,038	5,728	5,997	7,867	36,431	1,023,971
As at 1 January 2022	-	-	-	1,497	538	1,892	404	9,607	13,938
Additions	-	-	-	-	-	-	1,283	(1,283)	-
Transfers	-	-	-	-	(603)	-	-	-	(603)
Disposal	-	-	-	-	-	-	-	-	-
As at 31 December 2022	<u>340,205</u>	<u>133,364</u>	<u>294,341</u>	<u>201,535</u>	<u>5,663</u>	<u>7,889</u>	<u>9,554</u>	<u>44,755</u>	<u>1,037,306</u>
Accumulated Depreciation									
As at 1 January 2022	30,179	39,437	22,653	39,893	3,746	2,977	4,622	-	143,507
Charge for the Year	3,949	5,519	3,931	7,999	668	1,685	1,202	-	24,953
Disposal	-	-	-	-	(603)	-	-	-	(603)
As at 31 December 2022	<u>34,128</u>	<u>44,956</u>	<u>26,584</u>	<u>47,892</u>	<u>3,811</u>	<u>4,662</u>	<u>5,824</u>	<u>-</u>	<u>167,857</u>
Carrying Amount- 31/12/22	<u>306,077</u>	<u>88,408</u>	<u>267,757</u>	<u>153,643</u>	<u>1,852</u>	<u>3,227</u>	<u>3,730</u>	<u>44,755</u>	<u>869,449</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
13. Intangible Assets

	2023	2022
	US\$'000	US\$'000
Cost		
As at 1 January	466	466
Additions	<u>650</u>	<u>-</u>
As at 31 December	<u>1,116</u>	<u>466</u>
Amortisation		
As at 1 January	466	446
Charge for the year	<u>97</u>	<u>-</u>
As at 31 December	<u>563</u>	<u>466</u>
Total Intangible Assets	<u>553</u>	<u>-</u>

Intangibles represents software that helps collect data in real time to regulate equipment, conditions, and inter-organizational communication.

14. Investment in Associate

	2023	2022
	US\$'000	US\$'000
Nuclear Power Ghana Limited	<u>6</u>	<u>6</u>
	<u>6</u>	<u>6</u>

The investment in Nuclear Power Ghana Limited represents shares held by the Authority conferring the right to exercise 33% of casting votes at general meetings. Nuclear Power Ghana Limited is a company incorporated in Ghana to construct, own, operate, maintain, and de-commission nuclear power plant for the purpose of providing base-load electricity for economic and social development.

15. Inventories

	2023	2022
	US\$'000	US\$'000
Spare Parts and Tools	22,809	13,746
Stationery	158	193
Safety Materials	226	280
Other Inventories	<u>796</u>	<u>866</u>
	<u>23,989</u>	<u>15,085</u>

There were no write-offs of inventories during the year (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
16. Trade and Other Receivables

		2023	2022
		US\$'000	US\$'000
Trade Receivables (Net)		724,805	609,831
Other Receivables		19,450	15,181
Prepayments		<u>1,443</u>	<u>1,031</u>
		<u>745,698</u>	<u>626,043</u>
		2023	2022
		US\$'000	US\$'000
Non-current receivables	16	607,632	506,020
Current receivables	16	<u>138,066</u>	<u>120,023</u>
		<u>745,698</u>	<u>626,043</u>

Allowance for impairment is recognised against trade receivables based on estimated irrecoverable amounts by reference to the past default experience of the counterparty and an analysis of the counterparty's current financial position.

17. Escrow Account

		2023	2022
		US\$'000	US\$'000
CEXIM Escrow Account		<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>

This represents an account held with the China Export-Import Bank (CEXIM) specifically for the repayment of loan facilities and the administration of funds from loan drawn downs.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
18. Cash and Cash Equivalents

	2023	2022
	US\$'000	US\$'000
Cash Balance	1	-
Bank Balances	<u>3,039</u>	<u>6,046</u>
	<u>3,040</u>	<u>6,046</u>

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

19. Ghana Government Investment Fund

	2023	2022
	US\$'000	US\$'000
Investment from Government of Ghana	<u>76,514</u>	<u>76,514</u>

This represents Government of Ghana contribution towards the construction of the Bui Hydro-electric Dam.

20. Loans and Borrowings

	Note	2023	2022
		US\$'000	US\$'000
Government On-lending Facilities	20a	394,444	390,899
Buyers' Credit Facilities	20b	98,478	91,659
Agency Account-Government of Ghana	20c	<u>383,963</u>	<u>353,905</u>
		<u>876,885</u>	<u>836,463</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
20a. Government of Ghana On-lending Facilities

	2023	2022
	US\$'000	US\$'000
Concessional Loans	315,861	312,316
Preferential Buyer's Credit	<u>78,583</u>	<u>78,583</u>
	<u>394,444</u>	<u>390,899</u>

Concessional loans and preferential buyer's credit facility were entered into in years 2007 and 2012 respectively by the Government of Ghana and the Chinese Government for the construction and operation of the Bui Hydroelectric Power Project. An on-lending agreement exists between the Ministry of Finance and the Bui Power Authority.

20b. Buyers' Credit Facilities

	2023	2022
	US\$'000	US\$'000
CEXIM Buyers' Credit Facilities	<u>98,478</u>	<u>91,659</u>

Buyer's credit facilities were granted by the China Export-Import Bank in 2007 and 2012. The facilities were granted in the United States Dollars and approval limits were US\$293,506,062 and US\$76,206,939 in 2007 and 2012 respectively.

20c. Agency Accounts- Government of Ghana

	2023	2022
	US\$'000	US\$'000
Government of Ghana Agency Account	<u>383,963</u>	<u>353,905</u>

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

20d. Loans and Borrowings

	2023	2022
	US\$'000	US\$'000
Non-Current Portion	840,977	805,122
Current Portion	<u>35,908</u>	<u>31,341</u>
	<u>876,885</u>	<u>836,463</u>

Current interest-bearing loans and borrowings consists of short-term loan facilities contracted from China Export-Import bank. Interest is payable on demand.

20e. Loans and Borrowings - Interest and Maturity Analysis

Loans and Borrowings	Interest Rate p.a.	Maturity	2023 US\$'000	2022 US\$'000
Buyers Credit Facility-2007	5.94475%	21/11/2025	77,525	72,353
Buyers Credit Facility-2012	LIBOR+4%	21/11/2025	<u>20,953</u>	<u>19,306</u>
			<u>98,478</u>	<u>91,659</u>
Concessional Loan	2.75%	15/07/2037	315,861	312,316
Preferential Buyers' Credit	2.75%	15/07/2037	<u>78,583</u>	<u>78,583</u>
			<u>394,444</u>	<u>390,899</u>
Government of Ghana Agency Account	-	-	<u>383,963</u>	<u>353,905</u>
Total Non-Current Loans and Borrowings			<u>876,885</u>	<u>836,463</u>
Current Interest-Bearing Loans and Borrowings				
Interest payable	-	On-demand	<u>7,231</u>	<u>1,489</u>
			<u>7,231</u>	<u>1,489</u>

Interest payable is the 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%.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
21. Trade Payables

	2023 US\$'000	2022 US\$'000
Trade Creditors	<u>29,945</u>	<u>33,411</u>

This represents the balance outstanding to Meinergy Technology Limited for the construction of 40MW Solar Farm at Bui Generation Station. The amount is payable in 6 years ending May 2029.

22. Bui Land Compensation Provision

	2023 US\$'000	2022 US\$'000
Land Compensation	<u>10,000</u>	<u>10,000</u>

This represents a provision made regarding compensations payable to owners of the site land used for the construction of the Bui Generation Station.

23. Deferred Income

	2023 US\$'000	2022 US\$'000
BPA Floor Area	<u>469</u>	<u>499</u>

This represents unearned income from tenants for renting out the BPA floor area.

24. Deferred Grant/Donor Partner

	Note	2023 US\$'000	2022 US\$'000
Balance at 1 January		72	76
Transfer to Other Income	7	<u>(4)</u>	<u>(4)</u>
Balance at 31 December		<u>68</u>	<u>72</u>

This represents generating equipment received from UNDP for generating power at Tsatsadu Generation Station. The deferred grant is recognised in the profit or loss as other income over the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

25. Trade and Other Payables

	2023	2022
	US\$'000	US\$'000
Trade Payables	9,534	9,112
Accrued Expenses	2,043	268
Payroll Liabilities	463	583
Other Payables	74	95
Withholding Tax Payable	<u>4</u>	<u>33</u>
	<u>12,118</u>	<u>10,091</u>

26. Employee Benefit Obligation

	2023	2022
	US\$'000	US\$'000
Balance at 1 January	5,986	730
Current Service Costs	4,893	6,260
Exchange Difference	(1,817)	(100)
Payments	<u>(15)</u>	<u>(904)</u>
Balance at 31 December	<u>9,047</u>	<u>5,986</u>

Employee benefit obligation relates to the award of end-of-service benefits to management and all staff of the Authority.

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

	2023	2022
	US\$'000	US\$'000
Net benefit expense recognized in profit or loss		
Current Service Costs	4,893	6,260
Exchange Difference	(1,817)	(100)
	<u>3,076</u>	<u>6,160</u>

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

27. Financial Risk Management

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

The Authority's risk management is the responsibility of the Board and it focuses on actively securing the Authority's short to medium-term cash flows by minimizing 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

The Authority is exposed to market risk using financial instruments and specifically to interest rate risk and currency risk which results from operating and investing activities.

Interest rate risk

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 borrowing 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
2023	+100	+8,769
	-100	-8,769
2022	+100	+8,365
	-100	-8,365

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

27. Financial risk management objectives and policies (Continued)

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
2023	+44%	+34,621
	-44%	-34,621
2022	+35%	+29,025
	-35%	-29,025

Credit risk analysis

Trade accounts receivable

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

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Expected Credit Loss Rate	1%	1%
Gross Carrying Amount	732,108	615,975
Life Time Expected Credit Loss	7,304	6,145
	31 December 2023	31 December 2022
	US\$'000	US\$'000
IFRS 9 Expected Credit Loss as at 1 January	6,145	5,084
Charge for the Year	<u>1,159</u>	<u>1,061</u>
Lifetime Expected credit Loss as at 31 December	<u>7,304</u>	<u>6,145</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
27. Financial risk management objectives and policies (Continued)
Liquidity risk analysis

The Authority's objective is to maintain a balance between continuity of funding and flexibility using of loans from the Chinese government and other payables.

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 2023	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	-	-	35,908	-	840,977	876,885
Trade Payables	-	-	-	-	29,945	29,945
Trade and Other Payables	-	-	<u>12,113</u>	-	-	<u>12,113</u>
	-	-	<u>48,021</u>	-	<u>870,922</u>	<u>918,943</u>

Year ended 31 December 2022	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	-	-	31,341	-	805,122	836,463
Trade Payables	-	-	-	-	33,411	33,411
Trade and Other Payables	-	-	<u>10,091</u>	-	-	<u>10,091</u>
	-	-	<u>41,432</u>	-	<u>838,533</u>	<u>879,965</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
28. Related Party Disclosures

Bui Power Authority was established by an Act of Parliament, (Bui Power Authority Act, 2007 (Act 740)), as amended by (Bui Power Authority Act, 2020 (Act 1046)) and it is solely a government-controlled entity.

Related party transactions

The following pertains to transactions carried out with related parties for the years 2023 and 2022 respectively.

- i) The government of Ghana invested US\$76,514,075 into the setup and operations of the Bui Power Authority at its inception.
- ii) 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 with the Ghana COCOBOD. Amounts contributed so far is detailed below:

	2023 US\$'000	2022 US\$'000
Government of Ghana Agency Account	<u>383,963</u>	<u>353,905</u>

The agency account relates to proceeds from cocoa sales for the repayment of Buyer's credit loan, as well as funds received from the Ministry of Finance in support of operations.

iii) **Nuclear Power Ghana Limited**

The Authority is an associate of Nuclear Power Ghana (NPG) Limited. Total financial and operational support to NPG as at the close of the year was US\$725,267 (2022: US\$641,725) and it is included in the trade and other receivables.

iv) **Key management personnel**

Key management personnel are defined as those having authority and responsibility for planning, directing and controlling the activities of the Authority and comprise the directors and senior management short-term and post-employment benefits.

	2023 US\$'000	2022 US\$'000
Short-term benefit	3,190	2,792
Post-Employment Benefit	<u>1,405</u>	<u>1,381</u>
	<u>4,595</u>	<u>4,173</u>

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

29. 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 amount of the Authority's financial instrument approximates their fair values.

30. Going Concern

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that cash flows arising from the normal course of business will be available to finance future operations of the Authority and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

31. Subsequent Events

There were no events after the reporting date that require disclosure in these financial statements.

32. Decommissioning Liability

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

33. Capital Commitments

The Authority has committed US\$5,666,667 to First Sky Limited towards the construction of 50MW Solar PV farm and ancillary works at Yendi which commenced in 2023 and it is expected to be completed in 2024.

34. Contingent Liabilities

Contingent liabilities, in respect of possible claim and lawsuit at the reporting date amounted to US\$1,077,327 (2022: US\$51,561). Judgement in respect of these cases have not been determined as at 31 December 2023 and no provision has been made against these claims.