GHANA SHIPPERS' AUTHORITY

FINANCIAL STATEMENTS
31 DECEMBER 2017

TABLE OF CONTENT

GENERAL INFORMATION

BOARD OF DIRECTORS

Stella Wilson	-Board Chairperson
Benonita B. Bismarck	-Chief Executive Officer
Dr. Kwame Asamoah Adams	-Member
Sandra Opoku	-Member
Dr. George Dawson-Ahmoah	-Member
Prince Asamany	-Member
Dr. Ing. Michael Adjei Anyetei	-Member
Hon. Naana Eyiah	-Member
Isaac Crentsil	-Member
Evelyn Addei Sarpong	-Member
Patrick Amos Poku	-Member
Linda Dennis	-Member
Abraham Binapadam Jawol	-Member
Doreen Panyin Anna	-Member
Clement Osei Amoako	-Member
Johnson Okai	-Board Secretary

REGISTERED OFFICE

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

AUDITORS

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

BANKERS

Ecobank Ghana Limited
Bank of Ghana
GCB Bank
Ghana International Bank. London
Standchart Bank Ghana Limited

REPORT OF THE DIRECTORS

The Directors present herewith their report and the audited financial statements of Ghana Shippers' Authority for the year ended 31 December 2017.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Authority's directors are responsible for the preparation of the financial statements that give a true and fair view of the Ghana Shippers' Authority, comprising the statement of financial position as at 31st December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standard and in the manner required by the Ghana Shippers' Authority Act, 1974 ((NRCD 254), and its accompanying L.I. 2190 (2012). In addition, the directors are responsible for the preparation of the Directors' Report.

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

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

PRINCIPAL ACTIVITY

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

FINANCIAL RESULTS

Total comprehensive income for the year amounted to GHC50,009,609.65 with a resultant surplus of GHC15,322,211.23 When added to the opening balance on accumulated fund as of 1 January 2017 of GHC65,984,191.41 it leaves a closing balance of GHC81,306,402.64 as of 31 December 2017.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 17th May, 2018 and signed on their behalf by:

Benonita B. Bismarck
(Chief Executive Officer)

Peter Mensah-Abrampah
(Head, Finance Department)

AUDIT SERVICE

In case of reply the
number and date of the
letter should be quoted

My Ref. No: CAD/DA/ORG.17/GSA/VOL.1/11

Your Ref. No:

Good Governance and Accountability

P. O. Box M 96
ACCRA

Tel: 233 (0) 302 664920/28/29
Fax: 233 (0) 302 6751495
Website: www.ghaudit.org

8 MAY 2018

THE CHIEF EXECUTIVE OFFICER
GHANA SHIPPERS AUTHORITY
ACCRA

AUDITORS' REPORT ON THE ACCOUNT OF GHANA SHIPPERS AUTHORITY FOR THE YEAR ENDED 3I DECEMBER 2017

Opinion

I have audited the financial statements of Ghana Shippers Authority for the year ended 31 December, 2017. These financial statements comprise the statement of financial position, statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ghana Shippers Authority as at 31 December, 2017, and *of* its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standard Board (IASB), and in the manner required by the Ghana Shippers Authority Act, 1974(NRCD 254)

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards(IFRS) and its interpretations adopted by the International Accounting Standard Board (IASB), and in the manner required by the Ghana Shippers Authority Act, 1974(NRCD 254) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Authority's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My 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 and auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, 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 the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

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

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

ELIZABETH BOTCHEY (MS)
DIRECTOR OF AUDIT/CAD
for: **AUDITOR-GENERAL**

8 May, 2018

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017	2016
		GHC	GHC
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	52,846,812.68	54,176,317.88
Project (W.I.P)	4	8,275,128.94	8,250,876.94
Intangible Assets	5	39,578.09	79,144.30
Investments	6	3,521,065.73	3,431,583.26
Loans (TLP)	7	7,647,631.95	6,695,270.24
		72,330,217.39	72,633,192.62
Current assets			
Account Receivables	8	31,735,296.13	25,366,635.43
Financial Assets	9	1,238,846.34	1,465,880.76
Cash and Bank Balances	10	6,295,528.93	5,314,000.22
		39,269,671.40	32,146,516.41
Total assets		111,599,888.79	104,779,709.03
Less Current Liabilities			
Bank Overdraft	11	22,271.44	365,947.29
Accounts Payables	12	24,033,037.55	20,531,570.81
Interest Bearing Loans and Borrowings	13	6,238,177.16	12,265,333.92
Net assets		81,306,402.64	71,616,857.01
REPRESENTED BY			
Accumulated Fund	14	65,984,191.41	52,523,757.51
Surplus for the period		15,322,211.23	13,460,433.90
Total Equity		81,306,402.64	65,984,191.41
Non-current liabilities			
Interest Bearing Loans and Borrowings	13	-	5,632,665.60
Total equity and liabilities		81,306,402.64	71,616,857.01

Benonita B. Bismarck
(Chief Executive Officer)

Peter Mensah-Abrampah
(Head, Finance Department

The attached notes 1 to 25 form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		GHC	GHC
Revenue	15	38,242,969.21	36,150,589.36
General & Administrative Expenses	16	(34,923,744.79)	(37,807,647.23)
Other Income	17	12,145,360.50	14,994,912.57
Operating Surplus		15,464,584.92	13,337,854,.70
Finance Income	18	961,809.78	1,113,093.87
Finance Cost	19	(1,104,183.47)	(990,514.67)
Operating Surplus after Finance Cost		15,322,211.23	13,460,433.90
Other comprehensive income		-	-
Total comprehensive income		15,322,211.23	13,460,433.90

The attached notes 1 to 25 form an integral part of these financial statements

GHANA SHIPPERS' AUTHORITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Accumulated Fund	Retained earnings	Total
	GHC	GHC	GHC
Year ended 31 December 2017			
Balance at 1 January 2017	65,984,191.41	-	65,984,191.41
Profit for the year		15,322,211.23	15,322,211.23
Transfer from Retained Earnings	15,322,211.23	(15,322,211.23)	-
Balance at 31 December 2017	**81,306,402.64**	**-**	**81,306,402.64**
Year ended 31 December 2016			
Balance at 1 January 2016	52,523,757.51	-	52,523,757.51
Profit for the year		13,460,433.90	13,460,433.90
Transfer from Retained Earnings	13,460,433.90	(13,460,433.90)	-
Balance at 31 December 2016	65,984,191.41	-	65,984,191.41

Notes 1 to 25 form an integral part of these financial statements.

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		GHC	GHC
Cash flows from operating activities			
Cash generated from/(used in) operations	20	15,451,028.52	19,329,429.28
Cash flows from investing activities			
Purchase of Fixed Assets	4	(1,394,677.03)	(5,829,924.96)
Investments in Projects	4	(24,252.00)	(4,733,186.29)
Purchase of Software	5	-	(118,710.51)
Loan to TLP	7	(116,580.00)	(70,848.12)
Proceeds from Sale of Assets		-	37,885.00
Redemption of Investment in GIB		-	319,926.18
TLP Loan Repayment	7	431,000.00	400,000.00
Net cash used in investing activities		(1,104,509.03)	(9,994,858.70)
Cash flows from financing activities			
Interest-bearing loan received		-	220,839.03
Interest-bearing loan paid	21	(13,248,349.35)	(10,952,346.09)
Net cash used in financing activities		(13,248,349.53)	(10,731,507.06)
Net Cash (outflow)/Inflow		1,098,170.14	(1,396,936.48)
Analysis of Changes in Cash & Cash Equivalent During the Year			
Balance as at 1st January		6,413,933.69	7,810,870.17
Net Cash (Outflow)/Inflow during the Year		1,098,170.14	(1,396,936.48)
Balance as at 31st December		7,512,103.83	6,413,933.69
Analysis of Balances of Cash & Cash Equivalent as shown in the Statement of Financial Position			
Cash & Bank Balance	10	6,295,528.93	5,314,000.22
Overdraft	11	(22,271.44)	(365,947.29)
Short Term Investment	9	1,238,846.34	1,465,880.76
Cash and cash equivalents at end of year	14	7,512,103.83	6,413,933.69

Notes 1 to 25 form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

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

The Authority's mandate was re-enforced in September, 2012 when its regulations L.I.2190 entered into force. The regulations, apart from providing the platform for consultations between the Authority and shipping service providers, are intended primarily to deal with the new challenges faced by shippers in the form of unauthorized and indiscriminate charges by shipping service providers, the unsatisfactory quality of service being rendered to shippers, and the provision of information to shippers through the use of the Advanced Shipment information system.

The registered office is disclosed on page 1.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on a historical cost basis, except financial assets and financial liabilities that have been measured at fair value. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standard Board (IASB).

b) Foreign currency translation

I. Functional and presentation currency

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

II. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses relating to borrowings and cash and cash equivalents are presented in the profit or loss within 'other income'. All other foreign exchange gains or losses are also presented within other income. Exchange rate of GHC4.43/USD has been used to translate all monetary assets and liabilities at the year-end.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) Current versus non-current classification

The Authority presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Authority classifies all other liabilities as non-current.

(d) Revenue Recognition

I. Service Charge

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue from service charge is tax exempt by law and is recognised on accrual basis at a point when vessels call on the corridors of the Country and bills are raised to the Shipping Lines upon receipt of manifests. It is shared equally with Ghana Maritime Authority after deducting administrative charge of 1%.

II. Investment Income

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Income from Strategic Business Units (SBU)

SBU represents rent income from the Authority's warehouses and office spaces in Tema and Takoradi respectively. Rental income arising from operating leases on the Authority's investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature.

IV. Electronic Shipping Notification Fees (E-SNF)

ESNF is a payment made by the shippers during import declaration as part of the clearing process. E-SNF paid by Shippers are recognized as income to the extent that it is captured onto the GCnet platform and successfully credited to the designated accounts of the Authority. It is intended to provide information to the Authority on the shipment and arrival of cargo.

V. Shipper Registration Fees

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

(e) Post-retirement benefits

Social Security and National Insurance Fund, is a defined contribution scheme. The employee and the employer contribute 5.5% and 13% respectively to the fund. In addition, the employee and the employer contribute 12.5% and 15% respectively to a separate Terminal benefit fund under Tier 3 of the National Pensions Act, 2008 Act 766.

A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity. The entity has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due. The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

The entity recognises a liability and an expense for bonuses. The entity recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

(f) Taxation

The Authority is set up as a public institution and therefore not subject to tax on service charge revenue, electronic S.N.F and shipper registration. Dividend and rent income are however subject to appropriate

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

withholding taxes and accordingly net income are recognized in the income statement. The Authority is again, not exempted from payment of VAT on goods and service it procures. Accordingly, VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, therefore expenses and assets are not recognized net of sales tax.

(g) Financial assets

The entity recognises its financial assets (loans and receivables) on the date when they originate and all other financial assets and financial liabilities on the trade date - the date on which the entity commits to purchase or sell the asset. Except for investments with GCnet and Takoradi Logistics Platform, which are recognized at cost even on subsequent measurement, all other financial assets are initially recognized at fair value and subsequently measured at fair value with changes therein, including any interest or dividend Investments recognised in the profit or loss.

Financial assets carried at fair value through profit or loss is initially recognized at fair value, and transaction costs are expensed. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the entity has transferred substantially all risks and rewards of ownership.

I. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method.

Trade receivables are reported at the amount expected to be paid, less impairments which are assessed both individually and collectively. Impairment losses on trade receivables are reported under General and Administrative Expenses. Trade receivables have a short anticipated term and are therefore valued at a nominal amount without discounting. The Authority considers evidence of impairment for these assets at both an individual and a collective level. All individually significant assets are individually assessed for any impairment. Those found not be impaired are then collectively assessed for impairment. Collective assessment is carried out by grouping assets with similar risk characteristics.

II. Impairment of financial assets

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

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

(h) Financial Liabilities

Financial liabilities within the scope of IAS 39 are classified as other financial liabilities categories. The Authority determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, less directly attributable costs. The Authority's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

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

(i) Offsetting of Financial Instruments

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K Trade receivables

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

(k) Cash and cash equivalents

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

(l) Trade payables

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

(m) Properties, plant and equipment

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

(i) Recognition and measurement

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

(ii) Subsequent Cost

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

(iii) Depreciation

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

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

(iv) Capital Work in progress

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

(n) Intangible Assets

Software acquired by the Authority is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is up to three years.

(o) Borrowing Costs

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

(p) 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 entity's financial statements are disclosed below. The entity intends to adopt these standards, if applicable, when they become effective.

I. 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 entity's financial assets, but no impact on the classification and measurement of the entity's financial liabilities.

(ii) 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2017 with early adoption permitted. The entity is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

(III). IFRS 16 Leases

IFRS 16 or the new standard which requires lessees to recognise assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. Under the new standard, a lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To be a lease, a contract must convey the right to control the use of an identified asset, which could be a physically distinct portion of an asset such as a floor of a building.

A contract conveys the right to control the use of an identified asset if, throughout the period of use, the customer has the right to: (1) obtain substantially all of the economic benefits from the use of the identified asset; and (2) direct the use of the identified asset (i.e., direct how and for what purpose the asset is used). The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(i) Credit risk

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

The Authority's principal exposure to credit risk is in its trade and other receivables and loans to related parties. The amount receivable from the Shipping Lines (trade receivable) forms about 91% of the total receivables. Therefore, should the shipping lines default in repaying the debt it may affect the operations of the Authority. However, in accordance with the provisions of the Ghana Shippers' Authority Act, 1974 (N.R.D.C 254), and its accompanying L.I. 2190 (2012) the Lines are obliged to pay for all invoices submitted to them. The Authority also has in place Debt Recovery Team who is charged with responsibility to ensure timely collection of all outstanding debts.

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

	2017	2016
	GHC	GHC
Cash at bank and short term deposits	7,534,375.27	6,779,880.98
Net trade and other receivables (excluding prepayments and contract in progress)	31,512,751.45	25,124,285.37
Total credit risk exposure	39,047,126.72	31,904,166.35

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

Provision for impairment losses

	2017	2016
	GHC	GHC
Not past due	19,221,047.74	19,968,296.40
Past due 1-24 months	3,354,779.97	3,041,322.18
Past due 25 months and above	2,901,013.87	11,098,444.56
Provision for impairment	-	(11,098,444.56)
	25,476,841.56	23,009,618.58

Any impairment provision relating to trade debtors is appropriated between the Ghana Shippers' Authority and the Ghana Maritime Authority in accordance with the sharing ratio as enshrined in the Authority's Regulations (L.I. 2190) and Ghana Maritime Authority's Act after administrative charge of 1%. As at the end of the financial year, a thorough assessment of the trade receivable proved no doubt of recovery and therefore no impairment provision was made.

(ii) Liquidity risk

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

Cash of the Authority is placed in current accounts to provide sufficient funding to meet its obligations. At the end of the reporting date, bank accounts and fixed deposit accounts was GHC7,534,375.27 (2016: GHC6,779,880.98). This is expected to be sufficient for managing liquidity risk.

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

Financial liabilities	2017	2016
	GHC	GHC
Bank Loan Due next year	6,238,177.16	12,265,333.92
Bank Overdraft	-	365,947.29
	6,238,177.16	12,631,281.21

(iii) **Market Risk**

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

(iv) **Interest**

Interest rate risk show how changes in the fair value of or future value of cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The Authority had no exposure to interest rate risk as at December 31, 2016 (2015: Nil).

(v) **Foreign Exchange Risk**

Foreign exchange rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in the foreign exchange rates. The Authority's major revenue source, Service Charge is denominated in Dollars and accordingly maintains Dollar account in order to minimize its exposure to fluctuations in exchange rates. Again, the service charge receivables are maintained in US Dollars and translated at year end in order to minimize the exposure to exchange rate fluctuations. The Authority also has a Dollar loan facility with Ecobank Ghana and therefore, is exposed to Foreign exchange risk. Management is responsible for minimizing the effect of the currency exposure by holding bank account in foreign currency.

(vi) **Price Risk**

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

4. Property, Plant and equipment (PPE)

Cost	Freehold Land	Buildings	Motor Vehicle	Machines & Equip	ICT Equipment	Furniture & Fittings	Library Books	Totals
Balance b/f	1,026,060.55	49,430,003.12	730,870.68	498,379.22	712,036.59	7,615,884.71	10,485.00	60,023,719.87
Additions		702,119.46	336,391.75	152,881.21	91,333.44	111,951.17	-	1,394,677.03
Balance c/d	1,026,060.55	50,132,122.58	1,067,262.43	651,260.43	803,370.03	7,727,835.88	10,485.00	61,418,396.90
Depreciation								
Balance b/f		2,323,544.76	632.445.43	466,558.04	665,409.27	1,748.959.49	10,485.00	5,847.401.99
Charge for the year		1,001,352.45	116,906.40	41,783.01	71,606.84	1,492,533.53	-	2,724,182.23
Balance c/d		3,324,897.21	749,351.83	508,341.05	737,016.11	3,241,493.02	10,485.00	8,571,584.22
Net Book Value								
As at 31/12/2017	1,026,060.55	46,807,225.37	317,910.60	142,919.38	66,353.92	4,486,342.86	-	52,846,812.68
As at 31/12/2016	1,026,060.55	47,106,458.36	98,425.25	31,821.18	46,627.32	5,866,925.22	-	54,176,317.88

Projects in progress

	Inland Port Project	Boankra Shippers' House	Tema Shippers' House	Tamale Shippers' Projects	Staff Housing Project	Totals
Balance b/f	2,227,208.44	5,644,966.69	246,381.62	10,000.00	122,320.19	8,250,876.94
Additions				24,252.00		24,252.00
As at 31/12/2017	2,227,208.44	5,644,966.69	246,381.62	34,252.00	122,320.19	8,275,128.94
As at 31/12/2016	2,227,208.44	5,644,966.69	246,381.62	10,000.00	122,320.19	8,250,876.94

5. **Intangible assets**

	2017	2016
	GHC	GHC
Cost of Software	118,710.51	118,710.51
Amortisation	(79,132.42)	(39,566.21)
Net book value as at December 2016	39,578.09	79,144.30

6. **Investments**

	2017	2016
	GHC	GHC
GC Net Investment	472,495.00	472,495.00
Investments in TLP	2,168,075.58	2,168,075.58
GIB Investments	880,495.15	791,012.68
	3,521,065.73	3,431,583.26

7. **Loans to TLP**

	2017	2016
	GHC	GHC
Opening Balance	6,695,270.24	6,125,225.61
Additions during the period	116,580.00	70,848.12
Repayment during the period	(431,000.00)	(400,000.00)
Exchange gain on translation	710,987.38	419,472.83
Interest on Loan	555,794.33	479,723.68
	7,647,631.95	6,695,270.24

The Authority issued a US Dollar loan to Takoradi Logistics Platform at 7.5% interest per annum in October 2012 to finance the construction of the Logistics platform. A total of USD1,282,345.63 has so far been disbursed to the Company. However the outstanding as at the end of the period was USD1,726,327.75 (2016: USD1,673,817.56)

8. **Trade and other receivables**

	2017	2016
	GHC	GHC
Trade Receivables	25,476,841.56	34,108,063.14
Provision for Impairment		(11,098,444.56)
		23,009,618.58
Staff Housing Loan	603,007.82	535,413.11
Staff Car Loan	548,847.10	667,396.93
Other Loans to Staff	554,241.95	652,251.34
Amount due from Tenants	649,813.02	259,605.41
Dividend Receivable	3,680,000.00	
Prepayments	222,544.68	242,350.06
	31,735,296.13	25,366,635.43

9. Short term investments

	2017	2016
	GHC	GHC
Fixed Deposit	1,028,077.00	1,465,880.76
End of Service Benefit Fund	210,769.34	--
	1,238,846.34	1,465,880.76

10. Cash & bank balance

	2017	2016
	GHC	GHC
Bank of Ghana (a/cs 1 & 2)	91,943.20	91,532.90
Bank of Ghana (Forex)	33,105.52	109,344.28
Bank of Ghana (Kumasi Operations a/c)	1,349.99	21,300.60
Ghana International Bank (USD)	118,248.70	630,408.76
GCB Bank (Tema Operations)	14,441.36	12.595.58
GCB Bank (GCnet Tema)	52,081.75	102,897.12
GCB Bank (GCnet Takoradi)	2,696.96	8,195.96
Ecobank (GCnet Tema)	91,781.78	25,692.78
Ecobank (Forex)	80,144.55	94,545.36
Ecobank (Foreign)	3,090.94	1,770.00
Ecobank (Rent GHC a/c)	27,768.68	3,369.39
Ecobank (Rent USD a/c)	113,718.76	181,921.40
Ecobank Operations	167,460.09	
Ecobank (Joint a/c GHC)	2,141,076.72	1,469,385.88
Ecobank (Joint a/c USD)	1,105,254.39	555,324.48
Ecobank (DSRA a/c)	2,202,831.59	1,989,012.72
Cash on hand	4,355.55	858.12
Petty Cash Imprest	1,500.00	1,500.00
Cash on hand (Takoradi SBU)	-	2,076.98
SCB (Staff Housing Fund)	42,678.95	12,267.91
	6,295,528.93	5,314,000.22

11. Bank overdraft

	2017	2016
	GHC	GHC
Bank of Ghana (Takoradi operations)	22,271.44	21,434.15
Ecobank (HQ Operations)	-	344,513.14
	22,271.44	365,947.29

12. Account payables

	2017	2016
	GHC	GHC
Ghana Maritime Authority	17,803,249.73	22,339,373.77
Provision for Impairment		(5,604,714.50)
		16,734,659.27
Accruals/Provisions	5,667,858.21	3,456,984.02
Withholding tax outstanding	124,409.93	24,997.36
Rent Security Deposit	437,519.68	314,930.16
	24,033,037.55	20,531,570.81

13. Interest-bearing loans and borrowings

	2017	2016
	GHC	GHC
Current		
US$4.475 million bank loan facility (2011:US$13.254 million)	6,238,177.16	12,265,333.92
Non-current		
US$4.475 million bank loan facility (2011:US$13.254 million	-	5,632,665.60
	6,238,177.16	17,897,999.52

Ghana Shippers' Authority signed a Loan agreement with Ecobank Ghana Limited in September 2011 for US$7,500,000.00 credit facility, subsequently increased over the years to USD13,254,278.35 for the construction of its Head Office complex and partly for the completion of Takoradi Logistics Platform. The loan duration was originally 3 years with first repayment instalment in October 2012. In January 2015, the facility was restructured with repayment to resume in July 2015. The loan is secured by floating and fixed charges on the assets of the Authority. Interest rates on the loan ranges between 7.5% and 8%.

14. Accumulated fund

	2017	2016
	GHC	GHC
Accumulated fund b/fwd	65,984,191.41	52,523,757.51
Total surplus for the year	15,322,211.23	13,460,433.90
	81,306,402.64	65,984,191.41

15. Revenue

	2017	2016
	GHC	GHC
Service charge	36,076,622.62	33,937,816.75
Electronic S.N.F	2,146,396.59	2,184,712.61
Shipper Registration fee	19,950.00	28,060.00
	38,242,969.21	36,150,589.36

16. General & administrative expenditure

	2017	2016
	GHC	GHC
Personnel emoluments	11,288,102.47	10,760,900.81
Travelling & transport	1,803,119.12	1,362,131.90
General expenditure	4,323,828.72	3,691,781.58
Repairs & maintenance	3,331,590.79	3,227,201.78
Other recurrent expenditure	14,177,103.69	13,160,916.66
Provision for Impairment	-	5,604,714.50
	34,923,744.79	37,807,647.23

17. Other income

	201	2016
	GHC	GHC
Dividend income	7,820,000.00	8,280,000.00
Rent income	2,807,968.42	2,546,601.68
Disposal gain/(loss)		20,519.06
Sponsorship from UASC Program	176,862.24	
Exchange gain/(loss)	1,340,529.84	4,147,791.83
	12,145,360.50	14,994,912.57

18. Finance income

	2016	2016
	GHC	GHC
Interest on TLP loan	555,794.33	396,254.39
Returns on fixed deposit	406,015.45	716,839.48
	961,809.78	1,113,093.87

19. Finance cost

The Authority originally capitalized interest on the USD loan during the construction stage of its Head office complex. Interest on the loan after completion of the building in April 2016 has since been expensed. Interest expense for year 2017 amounted to GHC1,104,183.47 (2016:GHC990,514.67)

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

	2017	2016
	GHC	GHC
Operating income	15,322,211.23	13,460,433.90
Adjustments for:		
Depreciation	2,724,182.23	2,551,724.55
Amortisation	39,566.21	39,566.21
Gain on disposal of assets	-	(20,519.06)
Returns on GIB Fixed Deposit & Exchange Gain	(89,482.47)	(66,538.86)
Exchange loss transaction of Ecobank Loan	1,588,526.99	1,650,900.28
Exchange gain on translation of TLP USD loan	(555,794.33)	(419,472.83)
Interest on TLP Loan	(710,987.38)	(479,723.68)
Changes in working capital:		
- trade and other receivables	(6,368,660.70)	2,265,263.16
- trade and other payables	3,501,466.74	347,795.61
Cash generated from/(used in) operations	15,451,028.52	19,329,429.28

21. Interest bearing loan paid

	2017	2016
	GHC	GHC
Change in balance	11,659,822.36	9,080,606.78
Additional loan received		220,839.03
Exchange gain/(loss)	1,588,526.99	1,650,900.28
	13,248,349.35	10,952.346.09