

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**



**GOVERNMENT OF GHANA**



**WORLD BANK**

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)**

**IDA CREDIT NUMBER 5629-GH**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**Contents**

BASIC INFORMATION.....	ii
PROJECT BACKGROUND.....	iv
AUDITOR'S REPORT.....	1
STATEMENT OF FINANCIAL PERFORMANCE.....	3
STATEMENT OF FINANCIAL POSITION .....	4
STATEMENT OF CASH FLOW .....	5
NOTES TO THE FINANCIAL STATEMENTS.....	6
NOTE 1. ACCOUNTING POLICIES.....	6
NOTE 2. SCHEDULE OF WITHDRAWAL APPLICATIONS.....	7
NOTE 3. DESIGNATED ACCOUNT RECONCILIATION STATEMENT.....	8
NOTE 4. RECEIPTS .....	8
NOTE 5. BANK BALANCES.....	9
NOTE 6. STATEMENT OF ACCUMULATED FUND .....	9
NOTE 7. PLANT AND EQUIPMENT .....	10

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**BASIC INFORMATION**

<b>PROGRAMME</b>	<b>GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT (ADDITIONAL FINANCING II) (GEDAP)</b>
<b>YEAR ENDED</b>	<b>December 31, 2019</b>
<b>PRINCIPAL INSTITUTIONS</b>	<b>Ministry of Energy/Electricity Company of Ghana (ECG)</b>
<b>PRINCIPAL OFFICE</b>	<b>GEDAP Secretariat Ministry of Energy P. O. Box SD 40 Accra, Ghana</b>
<b>PROJECT OFFICERS PROJECT CORDINATING TEAM</b>	<b>Project Coordinator Project Accountant Procurement Specialist Administrative Manager Access Manager Planning Engineer Head, Renewable Energy Deputy Head, Renewable Energy</b>
<b>PROJECT IMPLEMENTATION TEAM</b>	<b><u>PROJECT OFFICE, ECG</u> Project Director Director of Finance Procurement Expert Account Manager, Projects</b>
<b>BANKERS</b>	<b>ECOBANK GHANA LIMITED (MoE) UNIVERSAL MERCHANT BANK (ECG)</b>
<b>AUDITORS</b>	<b>Auditor-General of Ghana Audit Service, P.O. Box M 96 Accra</b>

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**SUMMARY OF RECEIPTS & PAYMENTS**

	2019	2018
	US\$	US\$
TOTAL RECEIPTS	20,857,193	254,605
TOTAL PAYMENTS	<u>23,218,222</u>	<u>1,292,606</u>
EXCESS OF PAYMENTS OVER RECEIPTS	<u>(2,361,029)</u>	<u>(1,038,001)</u>

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

## PROJECT BACKGROUND

The Ghana Energy Development and Access Project (GEDAP, Additional Financing II) is being funded with a contribution of USD 60.00 million (SDR 42.7 million) by the International Development Association (IDA).

The Project Development Objectives (PDO) are:

- i. To improve the operational efficiency of the electricity distribution system and increase the population's access to electricity; and
- ii. To transition Ghana to a low-carbon economy through the reduction of greenhouse gas emissions.

The project is being implemented by the Electricity Company of Ghana, with the Ministry of Energy, through the GEDAP Secretariat providing management and coordination services.



# AUDIT SERVICE

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

My Ref. No: .....EID/ADM/GEDAP/AUD/20/4

Your Ref. No: .....

Tel: 233 (0) 302 664920/28/29

Fax: 233 (0) 302 6751495

Website: [www.ghaudit.org](http://www.ghaudit.org)



Good Governance  
and Accountability

P. O. Box ..... M 96

.....  
Accra

.....  
9 November 20 .....  
..... 20 .....

THE CHIEF DIRECTOR  
MINISTRY OF ENERGY  
ACCRA

INDEPENDENT AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENTS OF THE  
GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FOR THE YEAR ENDED 31 DECEMBER 2019

We have audited the Financial Statements of the Ghana Energy Development and Access Project (Additional Financing II) funded by the International Development Association (IDA). The project is being implemented by the Electricity Company of Ghana (ECG) and coordinated by the Ministry of Energy through the Project Coordination Unit.

The Statement comprises of the Statement of Financial Position as at 31 December 2019, The Statement of Financial Performance, the Statement of Cash Flow, and Summary of Accounting Policies and explanatory information

### Management Responsibility for the Financial Statements

The Management of the Ghana Energy Development and Access Project is responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards and for such internal control, as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs), promulgated by INTOSAI. Those standards require that we comply with ethical requirements, plan and perform the audit to

obtain reasonable assurance about whether the financial statements are free from material misstatement.

### **Basis of Opinion**

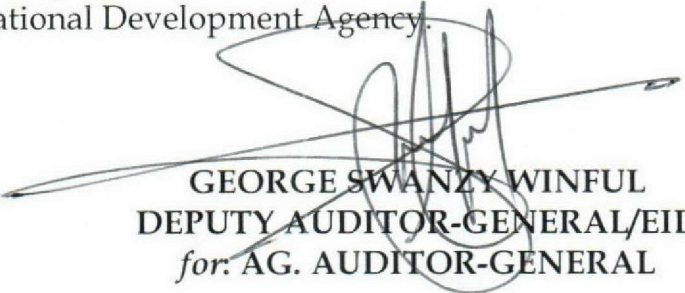
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the Financial Statement as a whole.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Ghana Energy Development and Access Project as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards and in the manner required by the Financial Agreement between the Government of Ghana and the International Development Agency.



**GEORGE SWANZY WINFUL**  
**DEPUTY AUDITOR-GENERAL/EID**  
*for: AG. AUDITOR-GENERAL*

cc: Ag. Auditor-General

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**STATEMENT OF FINANCIAL PERFORMANCE**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER  
2019**

	Note	2019 US\$	2018 US\$
<b>Income</b>			
Funds received from IDA	4	20,856,942	254,605
Interest Earned		<u>251</u>	<u>0</u>
<b>Total Income</b>		<u>20,857,193</u>	<u>254,605</u>
<b>Expenditure</b>			
Goods		22,781,650	775,465
Consultancy Services		242,664	337,487
Training/Conferences		20,524	2,789
Operating Costs		<u>173,384</u>	<u>176,865</u>
<b>Total Expenditure</b>		<u>23,218,222</u>	<u>1,292,606</u>
<b>Surplus (Deficit)</b>		<u>(2,361,029)</u>	<u>(1,038,001)</u>



**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**STATEMENT OF FINANCIAL POSITION**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2019**

	NOTE	2019 USD	2018 USD
<b>NON-CURRENT ASSETS</b>			
Plant and Equipment	7	23,557,094	775,465
<b>CURRENT ASSETS</b>			
Bank and Cash balances	5	<u>351,578</u>	<u>2,712,607</u>
<b>NET ASSETS</b>		<u><b>23,908,672</b></u>	<u><b>3,488,072</b></u>
<b>REPRESENTED BY</b>			
Accumulated Fund	6	<u><b>23,908,672</b></u>	<u><b>3,488,072</b></u>



**James Demitrus**  
Project Coordinator  
Date:



**Kwesi Arhin**  
Project Accountant  
Date:

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**STATEMENT OF CASH FLOW**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>
Excess of Payments over Receipts	(2,361,029)	(1,038,001)
Changes in Working Capital	-	-
<b>Net cash inflow from operating activities</b>	-	-
<b>Cash flow from investing activities:</b>		
Net Cash Inflow	20,857,193	254,605
Opening Cash/Bank Balance	2,712,607	3,750,608
Net Cash Outflow	<u>(23,218,222)</u>	<u>(1,292,606)</u>
Cash and Cash equivalent as at 31/12/2019	351,578	2,712,607
Analysis of Cash and Cash equivalent:		
Designated Account	351,578	2,712,607
<b>Cash and Cash equivalent as at 31/12/2019</b>	<b>351,578</b>	<b>2,712,607</b>

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER  
2019**

**NOTE 1. ACCOUNTING POLICIES**

The following are a summary of principal accounting policies adopted in the preparation of the projects financial statements and are consistently applied in the presentation of this report.

**a) Basis of Accounting**

These Financial Statements have been prepared on IPSASs modified accrual Basis under the Historical Cost Convention. Assets and liabilities are reflected or disclosed in the financial reports at the cost incurred or price paid at the time of transaction.

**b) Revenue**

Revenue is accounted for on cash basis. This means that Revenues are recognized and recorded only when they are received and not when they are earned.

**c) Expenditure**

Expenditure is accounted for when they are incurred.

**d) Foreign Currency Transactions**

Transactions that are denominated in currencies other than the United States Dollars are translated in United States Dollars at the exchange rate prevailing at the date of transactions. Transactions in the Comprehensive Statement of Receipts and Payments for the year are translated using the average rate. Balances denominated in currencies other than the US Dollars are translated into US Dollars at the rate prevailing at the Balance Sheet date. Gains or Losses resulting from foreign currency are taken into the Income and Expenditure accounts for the year in which they arise.

**e) The Level of Approximation of Currency/Amount**

The Level of Approximation of Currency/Amount is to the nearest US\$.



**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

f) **The Reporting Currency**

The Currency of reporting is in United States Dollars (US\$).

**NOTE 2. SCHEDULE OF WITHDRAWAL APPLICATIONS**

Year of Applic	Description/Application Number	Application Amount	Reimbursement	Direct Payment	Amount Paid under Special Commitment	Amount Paid into DA	Comments/Differences	Total Funds Received (USD)
2017	ECGIDAGEDAPAFII01	3,870,500				3,870,490	Initial Adv.	3,870,490
2018	ECGIDAGEDAPAFII03	169,315				169,315	Bank chg (10)	169,315
2018	ECGIDAGEDAPAFII04	85,290				85,290	Diff is Bank chg	85,290
2019	ECGIDAGEDAPAFII06	119,926				89,916	Partial Recovery	89,916
2019	ECGIDAGEDAPAFII05	103,170				103,150	Diff is Bank chg	103,150
2019	DA/ECGIDAGEDAPAFII07	907,847.93				49,990	Diff is Bank chg	49,990
2019	DA/ECGIDAGEDAPAFII08	149,839.06					Documentation	
2019	DA/ECGIDAGEDAPAFII17	2,173,162					Documentation	
2019	ECGIDAGEDAPAFII18	73,949					Documentation	
2019	ECGIDAGEDAPAFII19	81,804					Documentation	
2019	ECGIDAGEDAPAFII12				9,342,078		Special Commitment	
2019	ECGIDAGEDAPAFII15				518,029		Special Commitment	
2019	ECGIDAGEDAPAFII15				624,380		Special Commitment	
2019	ECGIDAGEDAPAFII15				553,589		Special Commitment	
2019	ECGIDAGEDAPAFII15				4,425,605		Special Commitment	
2019	ECGIDAGEDAPAFII15				3,632,202		Special Commitment	
2019	ECGIDAGEDAPAFII15				105,360		Special Commitment	
2019	ECGIDAGEDAPAFII15				289,616		Special Commitment	
2019	ECGIDAGEDAPAFII15				123,053		Special Commitment	
2019	ECGIDAGEDAPAFII16			999,974			Direct Payment	
	<b>TOTAL</b>			999,974	19,613,912	4,368,151		4,368,151



**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**NOTE 3. DESIGNATED ACCOUNT RECONCILIATION STATEMENT**

Designated Account Reconciliation Statement as at 31 December 2019

	USD	USD
Balance as at 1 January 2019	2,712,607	
Add Funds Received during the year	243,056	
Total Funds Available		2,955,663
Less Payments from the Designated Account in 2019		2,604,085
Designated Account Balance as at 31 December 2019		351,578

**NOTE 4. RECEIPTS**

Receipts constituted funds received from IDA to replenish the Designated Account, direct payments to Consultants and Suppliers by IDA on behalf of the project and payments by IDA to Suppliers under Special Commitment (Letters of Credit).

FUNDS RECEIVED	2019	2018
	USD	USD
<b>Funds Received from IDA:</b>		
Advance to Designated Account	243,056	254,605
Direct Payment	999,974	-
Special Commitment	19,613,912	-
<b>TOTAL FUNDS FROM IDA</b>	<b>20,856,942</b>	<b>254,605</b>

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**NOTE 5. BANK BALANCES**

Bank balances as at 31 December 2019 are indicated below.

	2019	2018
	US\$	US\$
Main Designated Account - UMB	330,687	2,701,083
Sub-Designated Account- ECOBANK	<u>20,891</u>	<u>11,524</u>
<b>TOTAL</b>	<b><u>351,578</u></b>	<b><u>2,712,607</u></b>

**NOTE 6. STATEMENT OF ACCUMULATED FUND**

This represents cash balances on funds received from IDA during the year.

**Statement of Accumulated Fund as at 31 December 2019**

	2019	2018
	US\$	
Balance as at 1 January 2019	2,712,607	3,750,608
Excess of Payments over Receipts	<u>(2,361,029)</u>	<u>(1,038,001)</u>
<b>Balance as at 31 December 2019</b>	<b>351,578</b>	<b>2,712,607</b>
<b>Add Non-Current Assets</b>	<b><u>23,557,094</u></b>	<b><u>775,465</u></b>
<b>Accumulated Fund</b>	<b><u>23,908,672</u></b>	<b><u>3,488,072</u></b>

**GHANA ENERGY DEVELOPMENT AND ACCESS PROJECT  
(ADDITIONAL FINANCING II)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

**NOTE 7. PLANT AND EQUIPMENT**

	Name of Contractor/ Consultant	Description of Contracts	Contract Amount	Currency	Amount paid in 2019	Amount paid as at 31 December, 2019	Amount paid (USD Equivalent)	Balance
1	FAIRGREEN LIMITED	Supply of computers and accessories	397,421.08	GH¢		397,421.08	84,557.68	0
2	TOYOTA GHANA CO. LTD	Supply of project vehicle	3,281,810.20	GH¢		3,281,810.20	690,907.41	0
3	SHENZHEN CLOU ELECTRONICS CO. LTD	Supply and installation of smart metering for prepayment customers in the Tema South District of ECG	19,999,474.00	USD	12,271,781.80	12,271,781.80	12,271,781.80	7,727,692.20
4	HEXING ELECTRICAL CO. LTD	Supply and installation of 25,000 no. bulk metering in ECG Operational Areas of Ghana	11,677,597.47	USD	10,509,837.73	10,509,837.73	10,509,847.73	1,167,749.74
5	HEXING ELECTRICAL CO. LTD	Supply and installation of 25,000 no. bulk metering in ECG Operational Areas of Ghana	6,438,227.40	GH¢	-	-	-	6,438,227.40
		<b>Total</b>					<b>23,557,094.62</b>	