



ENERGY FUND

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

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Corporate Information for the year ended 31 December 2022**Governing Board**

Prof. Ebenezer Owusu Oduro	Chairman
Dr. Isaac Frimpong Mensa-Bonsu	Member
Dr. Kodjo Esseim Mensah-Abrampa	Member
Mr. Moses Aristophanes Kwame Gyasi	Member
Kpembewura Banbange Ndefoso (IV) (Mr. Dari Bismark Haruna)	Member
Hon. Lydia Seyram Alhassan	Member
Ing. Oscar Amonoo-Neizer	Member
Mr. Kwasi K. Bosompem	Executive Secretary
	Controller and Accountant-General

Board Secretary/Legal Officer

Ms. Cecilia Agbenyega

Principal place of businessGhana Airways Avenue
Behind Alliance Français
Airport Residential Area
GA-037-3212.**Registered office**PMB Ministries Post
Office, Accra.**Independent Auditor**Eddie Nikoi Accounting
Consultancy.
GA-056-8119
P.O. Box OS 51
Osu - Accra**Bankers**Bank of Ghana
Ecobank Ghana Limited

**FIVE-YEAR FINANCIAL SUMMARY AND HIGHLIGHTS FOR THE YEAR ENDED
31 DECEMBER 2022**

(All amounts are in Ghana cedi unless otherwise stated)

Five-year Financial summary	2022 GH¢	2021 GH¢	2020 GH¢	2019 GH¢	2018 GH¢
Income	68,362,305	59,982,037	42,254,915	69,553,769	27,295,558
Expenditure	(52,541,076)	(43,920,704)	(32,280,113)	(39,209,158)	(27,435,045)
Excess	15,821,229	16,061,333	9,974,802	30,344,611	(139,487)
Total assets	72,420,237	56,599,008	40,537,675	30,562,873	218,262
Total equity	72,420,237	56,599,008	40,537,675	30,562,873	218,262

Financial Highlights	2022 GH¢	2021 GH¢	Change GH¢	Percentage Change %
Income	68,362,305	59,982,037	8,380,268	14
Expenditure	(52,541,076)	(43,920,704)	(8,620,372)	20
Excess	15,821,229	16,061,333	(240,104)	(1)
Total assets	72,420,237	56,599,008	15,821,229	28
Total equity	72,420,237	56,599,008	15,821,229	28

Report of the Governing Board of Directors

The Governing Board presents its report and the Financial Statements of the Energy Fund for the year ended 31st December, 2022.

In preparing these financial statements, the Governing Board is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable International Public Sector Accounting Standards (IPSAS) have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Commission will continue in business into the foreseeable future.

Governing Board's Responsibility for the Financial Statements

The Governing Board is responsible for the preparation of the Financial Statements for each financial year, which gives a true and fair view of the Statement of Financial Position, Financial Performance and Cash Flows for the period. In preparing these Financial Statements, the Governing Board selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed accrual basis of International Public Sector Accounting Standards (IPSAS) and the requirements of the Public Financial Management Act 2016 (Act 921), Public Financial Management Regulations 2019 (L.i. 2378), Income Tax Act, 2015 (Act 896), Value Added Tax Act 2013 (Act 870) as amended, Public Procurement Act 2003 (Act 663) as amended and all other applicable laws and regulations. The Governing Board is responsible for ensuring that the Commission keeps proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Fund. The Governing Board is also responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives

The objectives of the Fund are mandated under Section 42 of the Energy Commission Act 1997, Act 541 (as amended);

Moneys of the Fund shall be applied to:

- Promotion of energy efficiency and productive uses of electricity, natural gas petroleum product;
- Promotion of projects for the development and utilization of renewable energy resources, including solar energy;
- Human resource development in the energy sector;
- Local content and local participation in the Energy Fund.
- such other relevant purposes as may be determined by the Fund.

Report of the Governing Board of Directors (continued)
Management of the Fund

- i. In addition, the Fund shall be administered by the Governing Board which shall for this purpose include the Controller and Accountant-General or his representative.
- ii. The monies for the Fund shall be paid into a bank account opened for the purpose by the Commission with the approval of the Controller and Accountant-General.
- iii. The provisions under sections 49 and 50 of the Energy Commission Act on accounts, audit and annual report apply to the Fund.

There was no change in the nature of business during the year.

Ownership Structure

The Energy Fund is established by an Act of Parliament, Energy Commission Act, 1997 (Act 541) as amended and as such fully owned by the Government of Ghana.

Governing Board's Interest

None of the Members of the Fund's Governing Board has any interest in the ownership of the Fund during the year under consideration. None of the Members of the Fund's Governing Board has any form of interest in any contract.

Financial results for the year:

	2022 GH¢	2021 GH¢
Beginning balance of equity brought forward of	56,599,008	40,537,675
The Fund recorded excess income over expenditure of	15,821,229	16,061,333
	-----	-----
Closing balance on equity carried forward of	72,420,237	56,599,008
	-----	-----

The Governing Board Members confirm to the best of their knowledge, that:

- The Financial Statements, prepared in accordance with applicable laws and IPSAS, give a true and fair view of the Fund's Financial Position, Performance and Cash Flows and
- The state of the Fund's affairs is satisfactory.

Auditor

In accordance with the Energy Commission Act 1997, (Act 541) [as amended], Messrs. Eddie Nikoi Accounting Consultancy (ENAC) has been approved and appointed by the Auditor-General of Ghana as the Fund's auditor for the 2022 financial year.

Report of the Governing Board of Directors (continued)

Approval of the Financial Statements

The financial statements of the Energy Fund were approved by the Governing Board and signed on their behalf by:

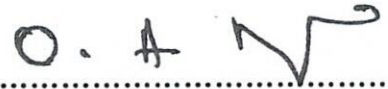
Board Chairman: Prof. Ebenezer Owusu Oduro

Executive Secretary: Ing. Oscar Amonoo-Neizer

Signature:



Signature:



Date:

19/07/23

Date:

17/07/23

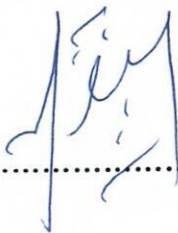
Corporate Governance (CG) Report

The Governing Board is committed to strong corporate governing practices that allocate rights and responsibilities in managing the Energy Fund (Fund). The Governing Board and Management are to provide an effective oversight and management of the Fund in a manner that enhances stakeholder value and promotes confidence. The Fund's corporate governance over its key affairs, include, the appointment of Management, approval of business strategies, evaluation of performance and assessment of major risk facing the Fund.

In discharging its obligations, the Governing Board exercises judgement in the best interest of the Fund and relies on the Fund's Management to implement approved business strategies, resolve day-to-day operational issues, keep the Governing Board informed, and maintain and promote high ethical standards. The Governing Board delegates authority in management matters to the Management, subject to clear instructions. It is upon such delegation of authority and circumstances that the Management shall be required to obtain Governing Board approval prior to taking a decision on behalf of the Fund. The Governing Board is made up of six Non-Executive Directors and one Executive Director.

The Governing Board's commitment to ensuring international best practices in terms of Corporate Governance remains strong and unwavering.

Board Chairman: Prof. Ebenezer Owusu Oduro **Executive Secretary:** Ing. Oscar Amonoo-Neizer

Signature: 

Signature: 

Date: 19/07/23

Date: 16/07/23



EDDIE NIKOI ACCOUNTING CONSULTANCY

Chartered Accountants, Management Consultants, Fixed Assets Management and Revaluation Experts.
Affiliated to PrimeGlobal | An Association of Independent Accounting Firms

HEAD OFFICE:

Kofi Aniefi Street
Behind Osu KFC (Sixth Hse. on the left)
Osu RE, X'borg, Accra
P.O. Box OS 51, Osu -Accra
Tel: (233-302) 774041, 778784
Mobile: 024 434 4041 /020 434 4041 /027 710 4041
GPS Address: GA-056-8119
E-mail: eddienikoiosu@gmail.com / enacosu@yahoo.com/
info@enacgh.com
Website: www.enacghana.com

DZORWULU ANNEX:

H/No. C617/14
Tetteh - Kwei Street
Last Chance Area
Paulina's Beauty Salon Building
Dzorwulu -Accra
Office Tel: (233-302) 783403
Mobile: 024 635 6568
GPS Address: GA-157-2770
E-mail: infodz@enacgh.com
enacdz@yahoo.com

Independent Auditor's report to the Governing Board

Opinion

In our opinion, the Financial Statements presented on pages 9 to 12 give a true and fair view of the financial position of the Energy Fund as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Public Financial Management Act, 2016 (Act 921), the International Public Sector Accounting Standards (IPSAS) and Energy Commission Act, 1997 (Act 541) as amended.

We have audited the Financial Statements of Energy Fund, which comprises the Statement of Financial Position as at 31st December 2022, Statements of Financial Performance, Changes in Accumulated Fund, Statement of 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 as set out on pages 13 to 21.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibility of the Governing Board for the Financial Statements

The Governing Board is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with the International Public Sector Accounting Standards (IPSAS) and the provisions of the Energy Commission Act 1997 (Act 541) as amended, and for such internal controls as the Governing Board determines are necessary to enable the preparation of these Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Governing Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Board either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report to the Governing Board(continued)

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatements.

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 risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 the Governing Board, 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 audit opinion.

As part of the audit in accordance with ISAs, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used 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 Fund'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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We, again, obtained sufficient appropriate audit evidence regarding the financial information of the Fund to enable us express an opinion on the financial statements.

Independent Auditor's report to the Governing Board (Continued)

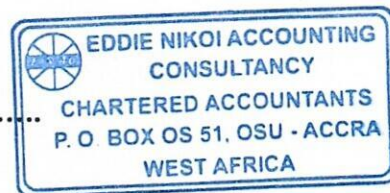
Report on Other Legal and Regulatory Requirements

We confirm that we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

In carrying out our audit we consider and report on the following matters.

- i) In our opinion, proper books of account have been kept by the Fund, in so far as appears from our examination of those books; and
- ii) The Fund's books of account are in a form approved by the Auditor-General.
- iii) The financial year of the Fund is the same as the financial year of the Government of Ghana.

The engagement partner on the audit resulting in this independent auditor's report is **Edmund Nikoi** (Practicing Certificate Number ICAG/P/1040)



FOR AND ON BEHALF OF:

EDDIE NIKOI ACCOUNTING CONSULTANCY: (ICAG/F/2023/110)

P. O. BOX OS 51

OSU-ACCRA

DATE: 20th July, 2023

GRADED "A" AUDIT FIRM BY THE INSTITUTE OF CHARTERED ACCOUNTANTS GHANA.

ENERGY FUNDAnnual Report and Financial Statements
for the year ended 31 December 2022**STATEMENT OF FINANCIAL POSITION** as at 31 December 2022

(All amounts are stated in Ghana cedi unless otherwise stated)

Assets	Note	2022	2021
Current Assets		GHC	GHC
Trade Receivables	4	49,779,410	44,916,287
Cash and Cash Equivalent	5	22,640,827	11,682,721
		-----	-----
Total Current Assets		72,420,237	56,599,008
		-----	-----
Total Assets		72,420,237	56,599,008
		=====	=====
Equity			
Accumulated Fund	6	72,420,237	56,599,008
		-----	-----
Total Equity		72,420,237	56,599,008
		=====	=====

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of Energy Fund, were approved by the Governing Board on

..17th July ... 2023 and signed on their behalf by:**Board Chairman:** Prof. Ebenezer Owusu Oduro **Executive Secretary:** Ing. Oscar Amonoo-Neizer**Signature:** **Signature:****Date:** **Date:***The accompanying notes on pages 13 – 21 form an integral part of these financial statements*

STATEMENT OF FINANCIAL PERFORMANCE as at 31 December 2022

(All amounts are stated in Ghana cedi unless otherwise stated)

	Note	2022	2021
Revenue	7	67,826,593	58,217,515
Other income	8	535,712	1,764,522
Total Income		68,362,305	59,982,037
Expenditure			
Promotion of energy efficiency and productive use of electricity and natural gas	9	9,750,576	4,619,122
Human resource development in the energy sector	10	7,090,000	8,207,348
Promotion of projects for the development of and utilisation of Renewable Energy Resources including solar energy	11	9,203,000	982,359
Other relevant expenditure	12	26,497,500	30,111,875
Total Expenditure		52,541,076	43,920,704
Surplus transferred to Accumulated Fund	6	<u>15,821,229</u>	<u>16,061,333</u>

The accompanying notes on pages 13 – 21 form an integral part of these financial statements

ENERGY FUND

Annual Report and Financial Statements
for the year ended 31 December 2022

STATEMENT OF ACCUMULATED FUND as at 31 December, 2022
(All amounts are stated in Ghana cedi unless otherwise stated)

	Note	2022 GH¢	2021 GH¢
Balance at the beginning of the year		56,599,008	40,537,675
Surplus for the year		15,821,229	16,061,333
Balance at the end of the year		72,420,237	56,599,008

The accompanying notes on pages 13 – 21 form an integral part of these financial statements

STATEMENT OF CASH FLOW as at 31 December 2022
(All amounts are stated in Ghana cedi unless otherwise stated)

	Note	2022 GH¢	2021 GH¢
Excess income over expenditure		15,821,229	16,061,333
Changes in working capital			
Changes in trade receivables		(4,863,123)	(6,404,378)
Net Cash generated from operating activities		10,958,106	9,656,955
Net increase in cash and cash equivalent		10,958,106	9,656,955
Balance at the beginning of the year		11,682,721	2,025,766
Balance at the end of the year	5	22,640,827	11,682,721

The accompanying notes on pages 13 – 21 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

1. Reporting entity

The Energy Fund (Fund) is an establishment under section 41 of the Energy Commission Act, 1997 (Act 541) (as amended). The resources of money for the Fund are as follows:

- such proportion of Government levy on petroleum products, electricity and natural gas as may be determined by the Cabinet and approved by Parliament (CAGD releases);
- money that accrues to the Commission in the performance of its functions (Fees from permits); and
- grants

Objectives of the Fund

The objects of the Fund (section 42 of the Energy Commission Act, 1997 Act 541) (as amended) included the following:

- promotion of energy efficiency and productive use of electricity, natural gas and petroleum products;
- promotion of projects for the development and utilization of renewable energy resources including solar energy;
- human resource development of the energy sector;
- local content and local participation development in the energy sector;
- such other relevant purposes as may be determined by the Fund.

Management of the Fund

Per the Energy Commission Act, 1997 (Act, 541) (as amended);

Section 43 – Management of the Fund: The Fund shall be managed and administered by the Commission which shall for this purpose include the Controller and Accountant-General or his representative.

Section 44 – Functions of the commission in Respect of the fund:

- (1) The Commission shall for the purpose of managing the Fund:
 - (a) formulate policies to generate money for the Fund;
 - (b) determine the allocations to be made towards the objectives of the Fund; and
 - (c) determine annual targets of the fund

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

2. Basis of preparation**2.1 Statement of compliance and presentation of financial statements**

The financial statements of Energy Fund for the year ended 31st December, 2022 have been prepared in accordance with International Public Sector Accounting Standards and in the manner required by the Energy Commission Act 1997 (Act 541) [as amended] and any other applicable regulatory and legal requirements.

The financial statements were authorized for issue by the Governing Board on.....2023.

2.2 Basis of measurement

The measurement basis applied is the historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in Ghana Cedi which is the Fund's functional currency. All amounts have been rounded to the nearest Ghana Cedis, unless otherwise indicated.

2.4 Use of judgments and estimates

In preparing the Fund's financial statements, management has made judgments, estimates and assumptions that affect the application of the International Public Sector Accounting Standards and the reported amounts of assets, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

3. Summary of significant accounting policies**3.1 Cash and cash equivalents**

Cash and cash equivalent comprises of cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Ghana and at various commercial banks at the end of the financial year. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.2 Revenue recognition

Assets and revenue arising from taxation transaction are recognized in accordance with the requirements of IPSAS 23, Revenue from Non-Exchange Transactions. The entity recognizes revenue from the Petroleum levy, Permits, Fees and Licenses and Electricity Demand Management Funds when the event occurs and the recognition criteria are met. All these items have the common attribute that they transfer resources from the entity to another without providing approximately equal value in exchange

Transfers satisfy the criteria for revenue recognition when it is probable that the inflow of resources will occur and their fair value can be measured.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.2.1 Petroleum Levy

Petroleum levy is derived from the Energy Sector Levies Act, 2015 (Act 899). The particular levy in the act is the Energy Fund Levy and is GHp 1.0 per litre on Petrol, Kerosene, Diesel and Fuel oil. The collecting agency is the Ghana Revenue Authority and the purpose is to support the Energy Commission Activities. Revenues are recognized by the Commission based on a funding allocation letter received from the Ministry of Finance.

3.2.2 Permits, Fees and Licenses

These are derived from any business or commercial activity for the transmission, wholesale supply, distribution or sale of electricity or natural gas in compliance with the Energy Commission Act, 1997 (Act 541). Unless expressly exempted under this act, all business or commercial activities are required to do so by license. The permits, fees and licenses collected from businesses or commercial activity are recognized when a receipt is issued/billed to a customer. Measurement is based on the fair value of the accounts receivable or cash recognized as at the date of recognition.

3.2.3 Electrical Demand Management Fund (EDMF) project funding

The Commission, as part of the regulatory framework of the Energy Sector in Ghana, receives funding from the EDMF project in order to facilitate the comprehensive Demand Side Management (DSM) programme. This programme aims to improve the productivity and competitiveness of Ghanaian industries and consumer markets through the use of more efficient technologies. This revenue stream is recognized when funds are received as the Commission is already satisfying the conditions for receipt through its regulatory measures.

3.3 Expenditure

These are primarily composed of outflows of cash to the Energy Commission and payment of other charges such as bank charges.

3.4 Financial instruments**(i) Recognition and initial measurement**

Financial assets within the scope of IPSAS 29 financial Instruments: Recognition and Measurement are classified as loans and receivables and held-to-maturity investments. The Commission determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulations or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date the Commission commits to purchase or sell the asset. The Fund's financial assets include: cash and short-term deposits and trade receivables.

(ii) Classification and subsequent measurement

The subsequent measurement of financial assets depends on the classification.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount of premium on acquisition and fees or cost that are an integral part of the effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

(ii) Classification and subsequent measurement(continued)

Losses arising from impairment are recognized in the surplus or deficit non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Commission has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

(iii) Derecognition of financial assets

The Commission derecognizes a financial asset or, where applicable, a part of a financial asset or part of a commission of similar financial assets when:

- The rights to receive cash flows from the asset have expired or is waived
- The Commission has transferred its rights to receive cash flows in full without material delay to a third party; and either: (a) the Commission has transferred substantially all the risks and rewards of the asset; or (b) the Commission has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Impairment of financial assets

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

Evidence of impairment may include the following indicators:

- The debtors or group of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

For financial assets carried at amortized cost, the Commission first assess whether objective evidence of impairment exists individual for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Commission determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be, recognized are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

(v) Financial assets carried at amortized cost

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the Commission. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to financial costs in surplus or deficit.

3.5 Contingent Liabilities and Contingent Assets**3.5.2 Contingent liabilities**

The Commission does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefit or service potential is remote.

3.5.3 Contingent assets

The Commission does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Commission in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.6 Changes in accounting policies and estimates

The Commission recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively, if a retrospective application is impractical. The Commission recognizes the effects of changes in accounting estimate prospectively by including in surplus or deficit.

3.7 Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

	2022 GH¢	2021 GH¢
4. Trade Receivables		
Annual operating license fees	42,650,300	44,350,245
Bulk customer license fees	7,129,110	566,042
	-----	-----
	49,779,410	44,916,287
	=====	=====
5. Cash and Cash Equivalent		
Cash and Bank	22,640,827	11,682,721
	-----	-----
	22,640,827	11,682,721
	=====	=====
6. Accumulated Fund		
Balance at 1 January	56,599,008	40,537,675
Surplus for the year	15,821,229	16,061,333
	-----	-----
	72,420,237	56,599,008
	=====	=====
7. Revenue		
Petroleum Levy	33,369,395	29,808,017
Bulk Customer fees	5,034,184	3,312,722
Annual operating fees	25,333,952	23,427,383
License and permit fees	4,089,062	1,669,393
	-----	-----
	67,826,593	58,217,515
	=====	=====
8. Other Income		
Exchange Gain	110,676	8,809
Sundry Income	425,036	1,755,713
	-----	-----
	535,712	1,764,522
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

	2022	2021
	GH¢	GH¢
9. Promotion of Energy Efficiency and Productive uses of Electricity		
Energy efficiency, conservation and climate change	500,000	640,281
Technical Regulation and inspection	7,103,576	1,394,341
Strategic planning and policy development	1,797,000	438,051
Social and Environmental impact assessment	350,000	48,510
Renewable Energy Sector Development	-	2,097,939
	<u>9,750,576</u>	<u>4,619,122</u>
10. Human Resource development in the energy sector		
Human Resource development	1,600,000	1,927,900
General and Administrative Expenses	5,490,000	6,279,448
	<u>7,090,000</u>	<u>8,207,348</u>
11. Promotion of projects for the development of and utilisation of Renewable Energy Resources including solar energy		
Renewable Energy Activities and implementation	2,603,000	100,000
Promotion of Energy Efficiency and Renewable Energy	5,400,000	-
Promotion of renewable energy and others	1,200,000	882,359
	<u>9,203,000</u>	<u>982,359</u>
12. Other relevant expenditure		
International cooperation	2,460,000	-
Procurement	1,587,500	4,302,719
Staff compensation	17,400,000	15,405,997
Administrative Support*	5,050,000	10,403,159
	<u>26,497,500</u>	<u>30,111,875</u>

*Included in 2021 Administrative support are funds transferred for investment in fixed deposits during the year.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

13. Financial Risk Management**13.1 Financial Risk Factors**

The Fund's activities are exposed to variety of financial risk: market risk (including currency risk, fair value interest rate and price risk), credit risk and liquidity risk. The Fund's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effect on the Commission's financial performance. Risk Management is carried out in compliance with the Commission policies approved by the Governing Board.

All of the financial instruments are denominated in Ghana cedi. As a result, there is no exposure to foreign currency risk.

13.1.1 Credit Risk

Credit risk is the risk of suffering financial loss should any of the Fund's counterparties fail to fulfil the contractual obligation. The financial instruments which potentially will subject the Commission to concentration of credit risk are primarily cash at bank and trade receivables.

The Commission deals with financial institutions licensed by the Bank of Ghana as well as the Bank of Ghana itself. The risk of the counterparty failing to fulfil their contractual obligations is assessed to be minimal. The Commission does not hold collateral securities.

With respect to trade receivables, the Commission undertakes a rigorous screening process for all customers prior to providing them their initial license. As some of the Fund's significant customers are government institutions, in the event of debts being long outstanding, round table meetings are held between the heads of these institutions and select members of the Fund's governing board to resolve overdue payment issues.

13.1.2 Fiscal Risk

Fiscal risk refers to the potential adverse impact of government's fiscal laws and policies on the Commission. The Commission is a government statutory body established by an Act of Parliament, not liable to pay any corporate taxes, and as such, is not exposed to volatility of any of the tax laws and regulations.

However, the Commission may be exposed to creation of or changes in enactments and regulations that may affect its sources of revenue or use of expenditure. The Commission deems exposure to fiscal risks to be minimal.

14. Contingent assets, liabilities and capital commitments

There were no contingent assets/liabilities and capital commitments as at 31 December 2022 (2021: Nil).

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

15. Subsequent events

Where there are material events that are indicative of conditions that arose after the statement of financial position date, the Commission will disclose them by way of note, the nature of the event and estimate of its financial effect or a statement that such an estimate cannot be made. The Fund had no material subsequent events that required adjustment to or disclosure in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)