

# **E.S.L.A. PLC**

***UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019***

**E.S.L.A. PLC**  
**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019**

	Note	Dec 2019 GH¢'000	Dec 2018 GH¢'000
<b>ASSETS</b>			
<b>Non-current asset</b>			
E.S.L.A. receivables	7	3,780,472 -----	3,776,059 -----
<b>Current asset</b>			
Cash and cash equivalents		688,152	558,430
E.S.L.A. receivables	7	1,687,868	1,306,751
Prepayments		338	-
Other receivables		2,496	6,788
<b>Total current assets</b>		<b>2,378,854</b> -----	<b>1,871,969</b> -----
<b>Total assets</b>		<b>6,159,326</b> =====	<b>5,648,028</b> =====
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bonds payable	6	5,938,708 -----	5,384,967 -----
<b>Total non-current liabilities</b>		<b>5,938,708</b>	<b>5,384,967</b>
<b>Current liabilities</b>			
Bond interest payable		153,252	195,691
Other payable		1,404	1,048
Deposits towards expenses		3,641	1,403
Deferred income (bond premium)		18,483	20,831
Current tax		370	11,019
<b>Total current liabilities</b>		<b>177,150</b> -----	<b>229,992</b> -----
<b>Total liabilities</b>		<b>6,115,858</b> =====	<b>5,614,959</b> =====
<b>EQUITY</b>			
Stated capital		10	10
Retained earnings		43,458 -----	33,059 -----
<b>Total equity</b>		<b>43,468</b> -----	<b>33,069</b> -----
<b>Total equity and liabilities</b>		<b>6,159,326</b> =====	<b>5,648,028</b> =====

The notes on pages 5 to 7 form an integral part of these condensed financial statements.

**E.S.L.A. PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

	<b>Dec 2019</b>	<b>Dec 2018</b>
	<b>GH¢'000</b>	<b>GH¢'000</b>
E.S.L.A. receipts applied toward interest expense	1,086,255	1,243,131
E.S.L.A. receipts applied towards administrative expenses	6,201	6,765
	-----	-----
<b>Total E.S.L.A. receipts applied</b>	<b>1,092,456</b>	<b>1,249,896</b>
Interest expense	(1,086,255)	(1,243,131)
Administrative expenses	(6,201)	(6,765)
	-----	-----
Operating results	-	-
Other Income	24,085	44,105
Other expense	(10)	(27)
Impairment charge	(416)	-
	-----	-----
Income tax expense	23,659	44,078
	(6,019)	(11,019)
	-----	-----
<b>Results after tax</b>	<b>17,640</b>	<b>33,059</b>
Other comprehensive income	-	-
	-----	-----
Total comprehensive income	17,640	33,059
	=====	=====
Earnings per share (GH¢)	17.64	33.06
	=====	=====

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**E.S.L.A. PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

	<b>Stated Capital GH¢'000</b>	<b>Retained Earnings GH¢'000</b>	<b>Total Equity GH¢'000</b>
<b>Balance at 1 January 2019</b>	10	33,059	33,069
Adjustment on initial application of IFRS 9	-	(7,241)	(7,241)
	---	-----	-----
Restated balance at 1 January 2019	10	25,818	25,828
	---	-----	-----
<b>Total comprehensive income for the period</b>			
Results for the period	-	17,640	17,640
	---	-----	-----
Total comprehensive income for the period	-	17,640	17,640
	---	-----	-----
<b>Transactions with owners of the Company</b>			
Proceeds from the issue of shares	-	-	-
	---	-----	-----
	-	-	-
	---	-----	-----
<b>Balance at 31 December 2019</b>	10	43,458	43,468
	==	=====	=====
<b>Balance at the beginning</b>	-	-	-
<b>Total comprehensive income for the period</b>			
Results for the period	-	33,059	33,059
	---	-----	-----
Total comprehensive income for the period	-	33,059	33,059
	---	-----	-----
<b>Transactions with owners of the Company</b>			
Proceeds from the issue of shares	10	-	10
	---	-----	---
	10	-	10
	---	-----	-----
<b>Balance at 31 December 2018</b>	10	33,059	33,069
	==	=====	=====

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**E.S.L.A. PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

	<b>Dec 2019</b>	<b>Dec 2018</b>
	<b>GH¢'000</b>	<b>GH¢'000</b>
<b>Cash flows from operating activities</b>		
Results after tax	17,640	33,059
Adjustment:		
Income tax expense	6,019	11,019
Interest income	(21,738)	(14,191)
Interest expense	10	-
Impairment charge (expected credit loss)	416	-
Amortisation of cash premium	(2,347)	(2,697)
	-----	-----
	-	27,190
Administration expenses paid	(6,183)	(5,716)
Interest paid	(1,105,504)	(1,043,334)
Tax paid	(16,669)	(2,495)
	-----	-----
Net cash used in operating activities	(1,128,356)	(1,024,355)
	-----	-----
<b>Cash flows from investing activities</b>		
Net interest received	26,020	9,898
	-----	-----
<b>Net cash from investing activities</b>	26,020	9,898
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	-	10
Cash proceeds from bonds issued	351,071	1,745,050
ESLA levies collected	1,687,868	1,633,439
Novated loans repaid	(336,763)	(1,533,513)
Bond issuing costs	(11,070)	(65,593)
Bond premium	-	23,528
Bond Buyback	(459,048)	(230,034)
	-----	-----
Net cash from financing activities	1,232,058	1,572,887
	-----	-----
Net increase in cash and cash equivalents	129,722	558,430
Cash and cash equivalents at beginning	558,430	-
	-----	-----
Cash and cash equivalents at 31 December	688,152	558,430
	=====	=====

The notes on pages 5 to 7 form an integral part of these condensed financial statements.

**E.S.L.A. PLC**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

**1. REPORTING ENTITY**

E.S.L.A. Plc is a public limited liability company incorporated and domiciled in Ghana. The address of its registered office is Ocean House, 13 Yiyiwa Drive Abelenkpe, Accra. The company was established to among others issue debt securities to refinance Ghana's energy sector debt.

**2. BASIS OF PREPARATION**

The condensed financial statements have been prepared based on policies that are derived from International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992). This is the first set of the company's financial statements in which IFRS 9 *Financial Instruments* have been applied. Details of this change have been described in Note 8. The management accounts have been prepared to fulfil reporting requirements of the Securities and Exchange Commission. These policies have been consistently applied to all periods presented, unless otherwise stated.

**3. BASIS OF MEASUREMENT**

The condensed financial statements have been prepared on the historical cost basis.

**4. FUNCTIONAL AND PRESENTATION CURRENCY**

The condensed financial statements are presented in Ghana Cedis (GH¢) which is the company's functional currency. Except otherwise indicated, the financial information presented has been rounded to the nearest thousand.

**5. USE OF JUDGEMENT AND ESTIMATES**

The preparation of the condensed financial statements in conformity with policies derived from IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of revision and future periods, if the revision affects both current and future periods.

**6. BONDS PAYABLE**

(a) Face Value of Securities issued

Between November 2017 and December 2019, the company issued the following bonds to refinance Ghana's energy sector debts.

	<b>2019</b>	<b>2018</b>
	<b>GH¢'000</b>	<b>GH¢'000</b>
Balance at beginning of period	5,664,721	-
7-year bond - November 2017/2024	(149,059)	2,408,626
10-year bond - November 2017/2027	(297,395)	2,375,348
10 year bond retap - January 2018/2027	-	615,948
10 year bond retap - August 2018/2027	(218,267)	264,799
10 year bond retap – June 2019/2029	1,000,000	-
	-----	-----
	6,000,000	5,664,721
	=====	=====

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 6. BONDS PAYABLE (CONT'D)

#### (b) Amortised Cost of Securities issued

Bond holders paid 'premiums' totaling GH¢23,527,895 on the bonds issued in January and August 2018. This has been recognized in the statement of financial position and is being amortised over the life of the bonds.

The issuance cost associated with the bonds raised was GH¢76,662,671. The Company bought back and cancelled part of Tranches E1 and E2 bonds to give head-room for GHS1,000,000,000.00 10- year bond to be issued under Tranche E3. This new issue was done and settled for in June 2019 and it is expected to mature in 2029 at a coupon rate of 19.85%.

The debt securities are backed by receivables collected under the Energy Sector Levy Act, assigned to the Company by the Government of Ghana acting through the Ministry of Finance.

The Company measures its bonds at amortised cost using the effective interest method.

### 7. E.S.L.A RECEIVABLES

These are levies expected to be collected under the energy sector levy act to refinance the energy sector debt. The E.S.L.A receivables is to support the payment of debt securities and its related expenses as and when they fall due.

	<b>2019</b>	<b>2018</b>
	<b>GH¢'000</b>	<b>GH¢'000</b>
Balance at beginning of period	5,082,810	-
Net assigned E.S.L.A. receivables on novated debt	986,361	5,437,373
Collections during the period	(1,687,868)	(1,633,439)
Interest expense accrued/paid	1,086,255	1,270,709
Impairment charge (expected credit loss)	(7,657)	-
Collections transferred to deposit towards expenses	8,439	8,167
	-----	-----
	5,468,340	5,082,810
	=====	=====
Current	1,687,868	1,306,751
Non-current	3,780,472	3,776,059
	-----	-----
	5,468,340	5,082,810
	=====	=====

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 8. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The company has initially applied IFRS 9 from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

Due to the transition methods chosen by the Company in applying this standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

#### IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive income.

The key change to the company's accounting policies resulting from its adoption of IFRS 9 relates to impairment of financial assets.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

Under IFRS 9, credit losses are recognised earlier than under IAS 39. For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. Upon the adoption of IFRS 9, the Company recognised impairment of GH¢7,656,350 on the ESLA receivables balance of GH¢ 5,475,997,138 in the current year.

#### *Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

- The Company has used an exemption not to restate comparative information for prior year with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2019. Accordingly, the information presented for 2018 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.
- The determination of the business model within which a financial asset is held have been made on the basis of the facts and circumstances that existed at the date of initial application.

### 9. DIRECTORS' STATEMENT

The condensed financial statements which were approved on 30 January 2020, do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge.

SIGNED  
**Frederick Dennis**  
Director

SIGNED  
**Simon Dornoo**  
Director