2015

ghana airports
COMPANY LIMITED

Annual Report

and Financial Statements

Contents

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 4th Annual General Meeting of the Ghana Airports Company Limited will be held at the GACL Conference room, KIA on Thursday, 27th October, 2016 at 11.00am to transact the following business:

AGENDA

- **To receive the Chairman's Report**
- **To receive the Managing Director's Report**
- **To receive and consider the Financial Statements for the year ended December 31st, 2015 together with the Reports of the Directors and Auditors thereon**
- **To authorize the Directors to fix the Auditors' remuneration**
- **To pass a special Resolution for the Creation of Executive Positions in GACL**
- **To transact any other business appropriate to be dealt with at the Annual General Meeting**

DATED THIS 9TH DAY OF SEPTEMBER, 2016
BY ORDER OF THE BOARD

ROBERT S. TAGOE (Esq.)
(COMPANY SECRETARY)

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote on behalf of the Member. A proxy need not be a Member of the Company. A form of proxy is attached. For a form of proxy to be valid for the purpose of the meeting, it must be completed and deposited at the Registered Office of the Company, KA Private Mail Bag 36, Kotoka International Airport, not less than 48 hours before the meeting.

Positioning Ghana as the

Preferred Aviation hub

and Leader in Airport Business in

West Africa

Mandate:
The mandate of Ghana Airports Company Limited is to plan, develop, manage and maintain all airports in Ghana including Kotoka International Airport and the regional airports; Kumasi, Tamale and Sunyani as well as various airstrips.

Vision:
To position Ghana as the Preferred Aviation Hub and Leader in Airport business in West Africa.

Mission:
To provide world-class airport facilities and services for the benefit of our stakeholders.

Values:
The acronym of GACL's values; S.E.R.V.I.C.E, highlights GACL's committment to customer service and service excellence in all our activities.

S - Safety and Security - Provide safe and secure airports
E - Efficiency - Manage resources efficiently
R - Reliability - Strive for reliable systems
V - Visibility - Be visible and proactive
I - Integrity - Be transparent in all our dealings
C - Customer Focused - Make our Customers our Priority
E - Excellence - Strive for excellence in all we do

Airports under the management of GACL

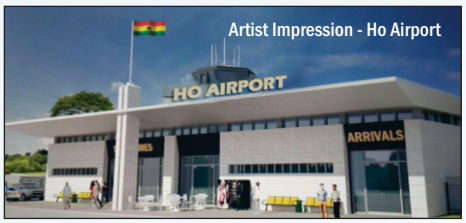

Kotoka International Airport

Kumasi Airport


Sunyani Airport

Tamale Airport


Wa Airstrip



Artist Impression - Ho Airport

Brief History

Kotoka International Airport

The existing airport, Kotoka International Airport, was originally a military airport used by the British Royal Air Force during World War II in 1946. The facility was handed over to civilian authority after a successful pull-out by the military. In response to globalization and the growing demand for air travel at the time, a development project was launched to reconfigure the structure into a terminal building in 1956.

The completion of the project set the stage for Ghana Airways to use the airport as its base in 1958. The airport was originally designed and commissioned to accommodate a maximum of five hundred thousand (500,000) passengers annually. In 1969, the Accra International Airport was renamed Kotoka International Airport in memory of the late Lt. General E.K. Kotoka. The airport has since witnessed significant improvements in infrastructure and facilities to meet the growing demand.

Tamale Airport

In September 2014, work commenced on the upgrade and expansion of Tamale Airport to International status. The development is in two phases. The first phase involved the upgrade and extension of the runway from 2438m to 3940m, construction of a new Apron and taxilink, rehabilitation of existing apron and the installation of aeronautical ground lighting systems. The project was commissioned on the 19th of August 2016 to coincide with the first flight for the 2016 Hajj Pilgrimage to Mecca. For the first time in the history of Ghana, a Boeing 747-400 series aircraft touched down at Tamale International Airport. Upgrading the Tamale Airport fits into the International Civil Aviation Organization (ICAO) requirement for States to have an alternate airport capable of receiving wide –bodied aircraft in the event of an emergency at the country's main airport (in our case KIA).

Kumasi Airport

Kumasi Airport has been in existence since 1943. In 1959, key developments in the areas of runway and taxiway construction, navigational facilities and the deployment of the necessary human resources were rolled out to enhance operations. The building of a new terminal in 1993 marked the beginning of the modernization process for Kumasi airport.

On December 15, 2014, the newly rehabilitated runway installed with Aeronautical Ground Lighting Systems was inaugurated. This paved the way for domestic airlines to commence night operations.

Currently, Master Plan studies for the airport is on-going. Some projects planned in the next phase includes the extension of the runway and the construction of a new terminal building.

Sunyani Airport

Sunyani airport has enjoyed a facelift. The terminal building has been expanded to include modern x-ray security screening equipment. Other enhancements to be undertaken this year include installation of CCTV's, paved car parks and resurfacing of the runway.

Ho Airport

Construction of an airport in Ho commenced in September 2015. When completed, the facility will have a runway, an aircraft parking area, terminal building capable of handling 150,000 passengers a year, a VIP and VVIP facility, parking area and nine-kilometre network of roads around the airport.

Wa Airstrip

The Wa airstrip is being developed to become operational for commercial flights this year. Work includes the rehabilitation of an existing structure into a terminal building and the construction of a perimeter fence around the airport.

Twumasi - Ankra Selby

Mr Twumasi-Ankra Selby obtained a Bachelor's degree from the University of Ghana in B.Sc. (Hons) Statistics and Computer Science. He pursued other postgraduate courses and has since obtained a Master's degree in Transportation Planning from the Virginia Tech and State University, USA and an MBA from GIMPA, Ghana.

He has more than thirty years of dedicated service in the Civil Service rising through the ranks from Assistant Planning Officer to Chief Director at the Ministry of Transport in April, 2013.

His accomplishments include the setting up of the Aviation Ministry in 2006 and served as the Director of Policy Planning until February, 2009 when it was merged with the Ministry of Harbours and Railways to create the new Ministry of Transport.

Irene Akoto - Marfo (Mrs)

Mrs Akoto-Marfo is a Banker by profession with over 15 years banking experience. She began her career in banking at the Ghana Commercial Bank in London and Ghana branches. Subsequently, her passion for design and the arts led her into private practice and is currently into Interior decoration and soft furnishing. She has been a member of the GACL Board for the past six years.

Mrs Akoto Marfo is a product of Wesley Girls High School.

Grp. Capt. Reginald R. Ayisa

Group Captain Ralph R. Ayisa is a serving Air Force Officer. He is a Military Logistician and a Lawyer by profession and currently the Director, Air force Legal Affairs.

He has an LLM degree specializing in Corporate and Commercial law, a graduate of the Command and Staff College, Jaji, Nigeria and a fellow of the National Intelligence University, USA. He was one of the negotiators from Ghana with the United Nations for the deployment of Air force aircraft and personnel to the United Nations Missions in La Cote D' Ivoire and Mali.

He has served with distinction with the United Nations as the Conduct and Discipline Officer (Military) in the Democratic Republic of Congo and was Force Legal Advisor (Military) in Liberia.

Bettie Solomon - Ayeh (Dr)

Dr. Bettie Solomon-Ayeh is a Spatial Planner and Demographer and has over 25 years professional experience. She worked at the Technical Services Centre of the Ministry of Works and Housing, Town and Country Planning Department and is currently a Principal Research Scientist (Associate Professor) at the Council for Scientific and Industrial Research. Her research activities have centred on issues related to the built environment. Dr. Bettie Solomon-Ayeh has been engaged in the preparation of Spatial Planning Schemes for various settlements in Ghana and was on the technical committee for the study of a Comprehension Urban Development Plan for Kumasi and its environs.

She was a member of the Consultative group for the study of the Ghana Housing Profile and was also involved in the publication of the Ghana Seismic Code and was instrumental in the formulation of a development control section in the current Ghana Building Code (2012). She has carried out extensive consultancy works in the housing, road and transportation sectors for both local and international institutions and agencies (World Bank, ILO, UN-HABITAT) and is a member of a number of professional associations including the Ghana Institute of Planners, Commonwealth Association of Planners and Union of African Population Studies. She is a past President of Soroptimist International Club of Ghana and a member of Women's Aglow International.

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Dr Ebenezer Ato Ayirebi-Acquah began his professional life as a Medical Doctor at Korle-Bu Teaching Hospital. He also served as a Casualty Officer and District Medical Officer of Health for Gomoa, Agona, Effutu Awutu and Senya Beraku. He then returned to Korle-Bu as a Resident in the Department of Obstetrics and Gynecology. He was later posted to Mozambique as a Deputy Ghana's Ambassador.

After four years in Mozambique and Lesotho, he entered into politics playing various roles as Deputy Minister, Minister, Regional Minister and Member of Parliament.

He has been in public service for 46 years and has been a member of the GACL Board for six years.

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Charles K. Asare
Managing Director

Joyce Bannerman - Wood (Mrs)
Director, Legal Services

Juliet Aboagye-Wiafe (Mrs)
Internal Auditor

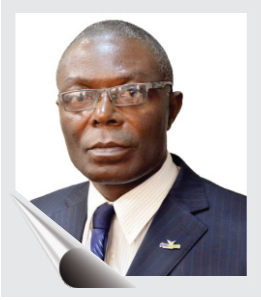
Rev. Dr. John Okwesie Arthur
Director, Finance

Robert S. Tagoe
Director, Human Resources

Charles Hanson-Adu
Director, Airport Operations

Macdavids T. Torto
Director, Projects

Isaac O. Adjakwah
Director, Facilities Management



Lt Col (Rtd) Daniel Kwame Amedoh
Director, Aviation Security

Stephen Kofi Yeboah
Ag. Director, Commercial Services

Dr Gershon Adzadi
Head, ICT

ghana airports COMPANY LIMITED

Upgrading our airports for a pleasant travel experience

Kotoka International Airport

* Installation of two new escalators & lifts
* Expansion of Arrival Hall
* Redesign of car parks
* Installation of additional immigration booths
* Refurbishment of washrooms
* Installation of modern CCTV cameras
* Reconstruction of taxiway and apron pavement
* Rehabilitation of touchdown zone
* Construction of 17 apron parking stands for mix fleet aircraft
* Re-roofing of the entire terminal building
* Installation of moving walkway at the arrival hall ramp area

Kumasi Airport

* A rehabilitated runway and provision of Airfield Lights for night operations
* Master plan studies for Kumasi Airport on-going
* Extension of runway and expansion of terminal building
* Refurbishment of washrooms
* Expansion of car parks
* Installation of street lights to enhance safety & security

Tamale Airport

* Upgrade and extension of runway
* Construction of new Apron and taxilink
* Rehabilitation of existing apron
* Installation of airfield lights

Sunyani Airport

* Expansion of terminal building
* Installation of modern x-ray security screening equipment
* Installation of CCTV cameras
* Resurfacing of runway

Other Projects

* Construction of Terminal 3 (Flagship Project)
* Construction of Ho Airport
* Wa airstrip to be made operational for commencement of commercial flights

Tony Lithur
Chairman

It is my pleasure once again to welcome you all to the 4th Annual General Meeting of the Ghana Airports Company Limited and to present the Annual Report and Financial Statements for the year ended 31st December 2015.

Aviation Industry Review

Notwithstanding the economic uncertainty in Europe and the geopolitical risks arising from events in Ukraine, the Middle East and West Africa, air travel remained relatively resilient in 2015. Accumulated passenger traffic across the world's major airports showed growth of over 6% for this period. The fears of a regional and global spillover effect from these events have been contained with minimal repercussion on air transport. From a Regional perspective, there were no major weak points with respect to the rise in passenger traffic for the period from January to December 2015.

In 2015, Africa had its fair share of challenges where economics, security and health are concerned. As a consequence, the economic growth of the continent remained at a 5% average while the economies of several African countries developed significantly. The Ebola virus which reared its head in 2014 destabilized economies on the African continent and affected development as well as tourism activity.

The year 2015 brought aviation security into focus with a number of terrorist threats which resulted in the collapse of the tourism industry in many African countries. These challenges have affected the aviation industry in Africa, and has prevent it from reaching its full potential where passenger traffic growth is concerned.

In the year under review, Africa experienced a drop of 1.5% in passenger traffic. Although major airports such as Johannesburg and Cairo experienced gains of 6.9% and 7.4% respectively, security concerns in North Africa have left the region's air transport demand in a weakened state.

Passenger traffic at Lagos declined by a substantial 12%, the result of intensified terrorist threats and weakened oil prices. South Africa, however, reported growth rates of 6.9%, 9.8% and 6.2% at Johannesburg, Cape Town and Durban respectively. At the country level, passenger growth in South Africa contributed to an increase of 8.1% despite low projected growth for the rest of the economy economy and energy supply bottlenecks.

Although the rate of growth in air cargo markets slowed compared to 2014, air cargo grew by 2.3% on a year-to-date basis to December 2015.

Financial Highlights

For the first time GACL has fully consolidated its financial statement and has applied the new IFRS 10 accounting standards. In connection with the application of IFRS 10 Consolidated financial statements define a 'Parent' as an entity that controls one or more entities.

The financial report shows that GACL's profit after tax decreased from GHS 184.9 million to GHS 176.6 million representing a 4.3% decrease in 2015 against the 2014 financial year. This was mainly due to increased operational costs.

Notwithstanding the challenges faced in the year, gross profits increased by GHS 16.1 million. This was on the back of major revenue inflows (Airport Passenger Service Charge) being pegged to the dollar.

This affirms the commitment, determination and dedication of the Board, Management and Staff of the Ghana Airports Company Limited to deliver on and sustain the strong performance of the company.

Industrial Relations

The industrial relations climate at all levels of the organization was peaceful during the year under review, and I wish to acknowledge the support and co-operation of all involved particularly management and staff in making this possible.

Corporate Governance

The Board operated mainly through its sub-committees on Administration, Finance, Commercial and Legal (AFCOL), Technical, Operations and Security (TOSS), Airport City and Lands (ACL) and Audit. We performed our duties substantially in line with best practices, our corporate governance procedures and took steps to continuously improve our internal control processes.

Corporate Social Responsibility

GACL's approach to Corporate Social Responsibility stems from the need to give back to society and thereby support government's developmental agenda. We have over the years made substantial contributions in local communities where our airports are located. A proposal to adopt a more proactive Corporate Social Responsibility (CSR) posture in airport communities is being considered. These initiatives have been revised as we develop better knowledge of the respective community needs. GACL as part of its Corporate Social Responsibility set for itself areas of focus including Health, Education and the Environment.

In 2015, GACL engaged in a lot of activities including the construction of a mechanized borehole with an overhead tank for the Opuniase Clinic in the Ashanti Region. The borehole is expected to provide regular water supply for the several communities that visit the clinic.

Other philanthropic activities GACL engaged in includes the donation of items worth twenty-five thousand cedis (GHC 25,000) to the 37 Military Hospital to support victims of the June 3, 2015 flood and fire disaster that claimed more than 150 lives.

We continue to lend support to Breast Care International for their annual Breast Cancer Awareness Walk and the sponsorship of at least three (3) medical students for their medical electives abroad.

Closing Remarks

On behalf of the Board, I wish to extend our sincere appreciation to the entire management and staff of GACL. To my colleagues on the Board, I thank you for your invaluable contributions, diligence and co-operation. I trust that with your continued commitment, we will position Ghana as the preferred aviation hub and leader in airport business in West Africa and thereby contribute to the development of our homeland Ghana.

I wish to also thank the representative of our sole shareholder, the Minister of Finance, for having a listening ear whenever we approach him with difficult options relating to our sector projects, and we hope he will continue to support us in our efforts at making significant input into the Better Ghana agenda.

I thank you for your attention.

TONY LITHUR

ghana airports
COMPANY LIMITED

Artist Impression - Landside

Artist Impression - Airside

Transforming our vision into reality

- A terminal with ultra - modern facilities
- Six boarding bridges
- Terminal capable of handling 5 million passengers a year
- Large commercial and retail area
- Three business lounges, etc.
- Capacity to process 1,250 passengers per hour

Charles K. Asare
Managing Director

Introduction

I am pleased to present to you the performance of the company for the 2015 financial year.

We have made great strides in improving on airport infrastructure in consonance with our mission of providing world-class facilities to our various stakeholders.

We have forged ahead in a continually challenging economic environment and are positioned to sustain our outstanding performance from previous years.

Air traffic Performance

		FY '14	FY '15	PERCENTAGE CHANGE
Aircraft Movements	International	24,871	23,257	(6.5)
	Domestic	16,978	14,354	(15.5)
	Total	41,849	37,611	(11.3)
Passenger Movements	International	1,650,520	1,667,675	1.0
	Domestic	719,234	525,440	(26.9)
	Total	2,369,754	2,193,115	(8.1)
Freight		54,389	51,325	(5.6)

Aircraft Movements:
Total aircraft movements for the year 2015 of 37,611 showed a drop of 11.3% in relation to the movements witnessed in the previous year of 41,849. The decrease resulted from:

- Egypt Air – Suspension of Tuesday and Sunday flights by the airline and withdrawal of flight services between Accra and Abidjan.
- Review in the 2015 flight schedules by Asky, Egypt Air and British Airways as a result of some operational challenges. This resulted in temporal suspension of flights by the aforementioned airlines on the routes below:
    - Asky: Accra-Freetown
    - Egypt air: Accra- Abidjan
    - British Airways: Morning flights (Accra-London)
- Delta airlines – The airline revised its daily flights to four per week.

Passenger Throughput:
The 2015 passenger throughput of 2,193,115 is a decrease of 8.1 per cent compared with the 2014 figure of 2,369,754. The decline resulted from the 17.5 percent Valued Added Tax (VAT) imposed on domestic air fares in 2015.

Freight:
Freight handled at KIA dropped to 51,325 tonnes in 2015 from 54,389 tonnes in 2014. The shortfall is attributable to:

- General slowdown in trade and weaker demand for non-traditional exports resulting in a fall in volume of cargo carried by British Airways and Asky Airlines.

- Increase in baggage price by MEA which adversely affected volume of cargo handled by the airline.

Financial Performance

Notwithstanding the challenges faced in the year, gross profits increased by GHS 16.1 million. This was on the back of major revenue inflows (Airport Passenger Service Charge) being pegged to the dollar. The depreciation of the Ghana cedi contributed to this growth of revenue in cedi terms.

GACL's profit after tax however decreased from GHS 184.9 million to GHS 176.6 million representing a 4.3% decrease in 2015 against the 2014 financial year. This was mainly due to increased operational costs.

GACL has continued to pursue its strategy of strong liquidity position by improving on liquidity ratio from 1.19:1 in 2014 to 6.47:1 in 2015.

Financial Debt Structure

During the year under review, the Board approved a long term financing of up to $400 million to finance its capital expenditure requirements. In determining the borrowing capacity of GACL, we conservatively relied on the Airport Passenger Service Charge (APSC) inflows only as security and the primary source of repayment for the loans. The Credit Facility that we arranging is an **asset-backed (APSC Receivables)** corporate loan to GACL that will be used to fund certain infrastructural development projects at GACL's airports that the GACL Board has approved.

Our financial model for raising the financing could adequately support a $400 million under two separate components as follows:

I. A Commercial Tranche of $250 million syndicated among 8 Commercial Banks for a tenor of 7 years with a grace period of 2 years, and interest rate of Libor plus a margin of 8% p.a.

ii. A Development Finance Tranche of $150 million to be syndicated among DFI's for a tenor of 15 years with a grace period of 5 years, and interest of Libor plus a margin of 5.5% p.a

This injection of funds contributed to the increase of GACL's asset base from GHS 1.77 billion in 2014 to GHS 2.18 billion in 2015 reflecting a 21.9% percentage increase.

Status of Projects

The 2015 CAPEX focused on the following:

- Safety and Security;
- Improving Facilitation; and
- Providing capacity to accommodate growing business in all the airports

The Projects are being implemented across GACL's 4 major airports and airstrips across the country. Planning, Design and Construction has taken off in Accra at the KIA, Ho, Tamale, Wa and Kumasi Airports.

Milestones achieved in 2015

In 2015 we completed some major upgrades of our airport facilitation and security systems. Among these were:

- **Continuation of the KIA Phase 3 Developments**
- **Rehabilitation of Southern Apron at KIA**
- **Rehabilitation and Expansion of Kumasi Airport (Phase 1)**
- **Development of Tamale Airport (Phase 1)**
- **Emergency Re-Roofing of Terminal Building at KIA**
- **Expansion and Renovation of Arrival Hall**
- **Construction of Terminal 3 at KIA**
- **Construction of offices on the Mezzanine Floor**
- **Supply and Installation of Ventilation and Air Conditioning System for Offices**
- **Development of Ho Airport (Phase 1)**

Another significant milestone in the year 2015 was the launch of non-stop flight services between Accra and Washington D.C. on August 2, 2016. South African Airways partnered African World Airlines to connect passengers from Ghana and other West African countries to and from Washington D.C. The partnership ties in with GACL's strategic vision of positioning Ghana as the Preferred Hub and Leader in Airport Business in West Africa.

Artist Impression of Terminal 3 - Landside

Artist Impression - Ho Airport

Installation of Aeronautical Ground Lighting system at Kumasi Airport

Exterior view of the expanded arrival hall at KIA

Construction of Southern Apron at KIA

Interior view of the expanded and refurbished arrival hall at KIA

Upgrade and expansion of Tamale airport (Phase 1)

Ribbon-cuuting ceremony to launch SAA flight to Washington D.C.

The Ghana Airports Company Limited (GACL) in 2015 selected MAPA Construction & Trade Corporation Incorporated of Turkey through an international Competitive bidding process to construct a new terminal (Terminal 3) at the Kotoka International Airport. The construction of **Terminal 3** with expected completion date of 2017 encompasses the under-listed at a cost of GACL $250million:

- Construction of Ultra-Modern Terminal Building with a capacity of 5m passenger per year
- Installation of Baggage Handling System
- Construction of 825 Capacity Car park Including New Road Network

Safety

In these times of heightened security concerns in the aviation industry, GACL remains a safe airport and we are pleased to report that there were no major safety and security incidents reported for the year under review.

In line with our prioritization of enhanced security, we took delivery of Explosive Trace Detection machines in November, 2015 for use at the Kotoka International Airport following the signing of a Memorandum of Understanding (MoU) between the Government of Ghana and the Government of the United Kingdom of Great Britain and Northern Ireland in May 2015. Training has been provided to the relevant personnel to ensure effective use and maintenance of this equipment.

Officials of the British High Commission with the GACL team

Environmental Management System (EMS)

GACL has an existing Environmental Management System (EMS) which also reflects GACL's policy commitment to responsible stewardship of the environment. GACL is currently reviewing the ESMS, the revised ESMS to be implemented provides the following additional features:

- Clearly defined social issues (in addition to environmental ones) for current and future operations of the airports;
- Prioritized ranking of environment and social issues to guide implementation;
- Create more avenues (print, electronic, internet and other media) for receiving and addressing environmental and social complaints as well as stakeholder engagements related to operations and other activities at the airports;
- An action plan with budget for ESMS implementation; and
- Capacity building programmes to facilitate ESMS implementation and external reporting. GACL has secured permits for most of its project from the Environmental protection Agencies (EPA).

In pursuance of the policy objectives of sustainable operations at the airports in the country, and in compliance with all relevant national and international regulations and mandatory standards, GACL is committed to ensuring and addressing the following areas:

- High level management accountability;
- Building capacity for GACL to implement the ESMS;
- Training and awareness for stakeholders and clients;
- Climate Change causal activities and carbon footprint;
- Social/public and occupational health and safety;
- Disclosure of the sustainability policy;
- External reporting and compliance;
- Action plan implementation and reporting; and
- Annual review of the sustainability policy.

Consistent with the policy directives, GACL pursued appropriate strategies to improve the following areas:

ICT

As part of the company's efforts to improve business processes, a new data centre has been constructed to provide the necessary framework in technology infrastructure. The objective is to transform our airports into an ICT driven airport within the sub-region which will result in efficient and more reliable operations.

Other activities related to the improvement in ICT infrastructure include the Installation of a Biometric Attendance System, network infrastructure upgrade, Human Resource Personnel Records update, an online banking platform and a data recovery monitoring system.

Data centre

Human Resource Consultancy Project

The process of reforming the organization to make it commercially-oriented and customer-focused commenced in earnest in the year under review. Price Waterhouse Coopers (PWC) were appointed to carry out the assignment through a competitive tendering process. It is expected that on completion, our organizational systems, work systems, practices and procedures will be fully aligned to support the future strategic direction.

Training

In line with its policy to provide suitable job-related and developmental training, key staff training programmes were undertaken during the year under review. The company continued with with recurrent training programmes for the Aviation Security and Rescue and Fire Fighting staff, developed to ensure that they remain up-to-date on aviation and industry trends.

Other notable programmes carried out include:

- **Airport Strategic Management**
- **Aircraft Fire Fighting**
- **Air Routes Development Course**
- **Leadership And Management Course**
- **Retirement Planning**
- **Airport Enterprise Risk Management Course**
- **Airport Commercial Management Course**
- **Service Excellence for Stakeholders**

Airport Enterprise Risk Management Course

Service Excellence Training for Managers

Airport Services and Passenger handling course

Seminar on Retirement Planning

Airport Strategic Management Course

Service Excellence Training for Stakeholders

Facilities Management

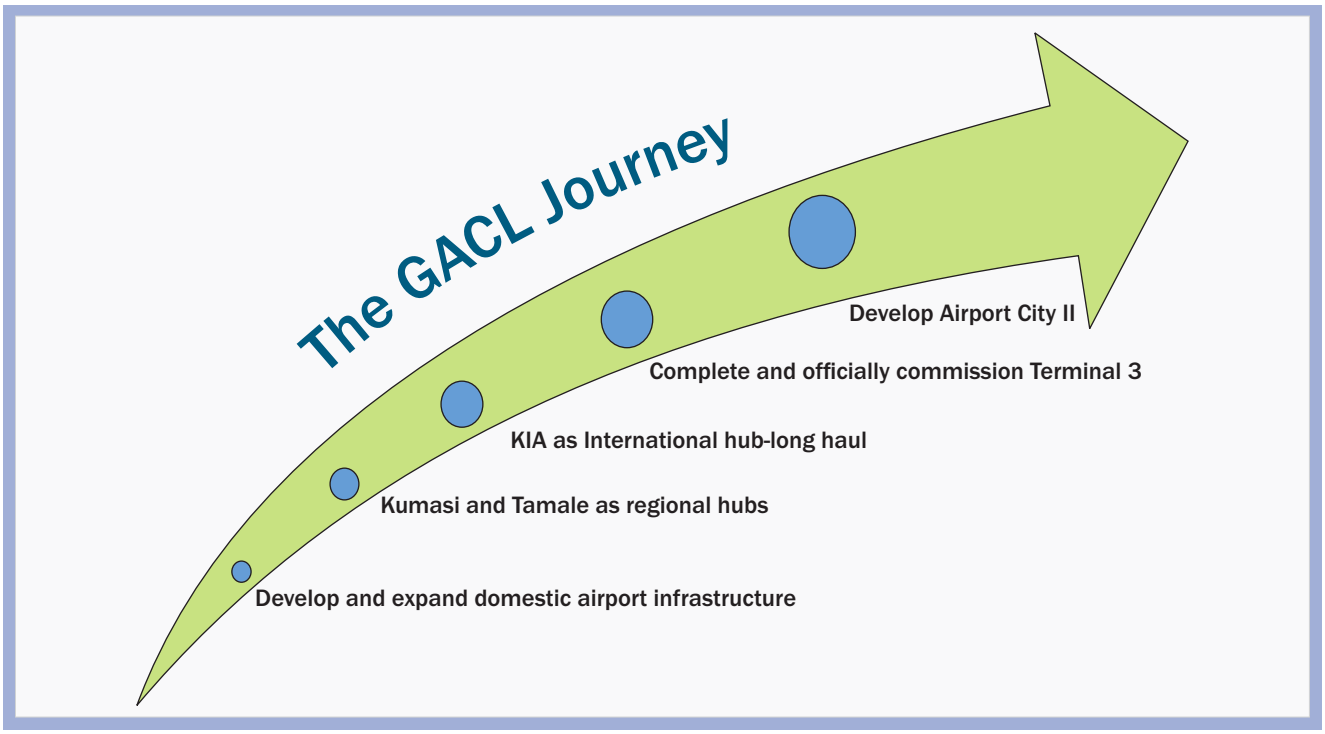
As part of measures to ensure facilities management at the various airports and to ensure equipment uptime, a Facilities Management Department was established during the year under review. A Director was subsequently recruited to supervise the department.

Airport Lands

The Board has successfully negotiated for GACL to obtain title to the respective airport lands for KIA, Kumasi and Sunyani. This will without doubt curb the encroachment on Airport lands and help protect it for future expansion of our airports.

Non-aeronautical revenue

Plans have been drawn for the 2nd Phase of the development of an Airport City to be named "Airport City 2". This will be sited on a parcel of land near the Polo grounds. This would create opportunities for offices, hotels, malls, retail shopping malls, entertainment centres , car park and other airport related development on the landside of our airports and thereby boost non-aeronautical revenue.



Business Outlook for GACL

The Business outlook for GACL is positive. The Structural and Financial Transformation Process undertaken has been positive.

The transformational agenda is aimed at creating a Customer-focused and Commercially-Oriented organization capable of delivering world-class aviation services and facilities on a sustainable basis.

The strategy to achieve this has been based on three main themes:

1. Infrastructure improvement
2. Customer Service Excellence
3. Organizational reforms

These three themes have been pursued with the support of our partners – the Airports Company of South Africa with which we have a 5-year Memorandum of Understanding.

So far, the strategy is producing good results. The feedback we are receiving from the travelling public is positive. We will continue to pursue the vision of strategically positioning Ghana as the Preferred Aviation hub and Leader in Airport Business in West Africa.

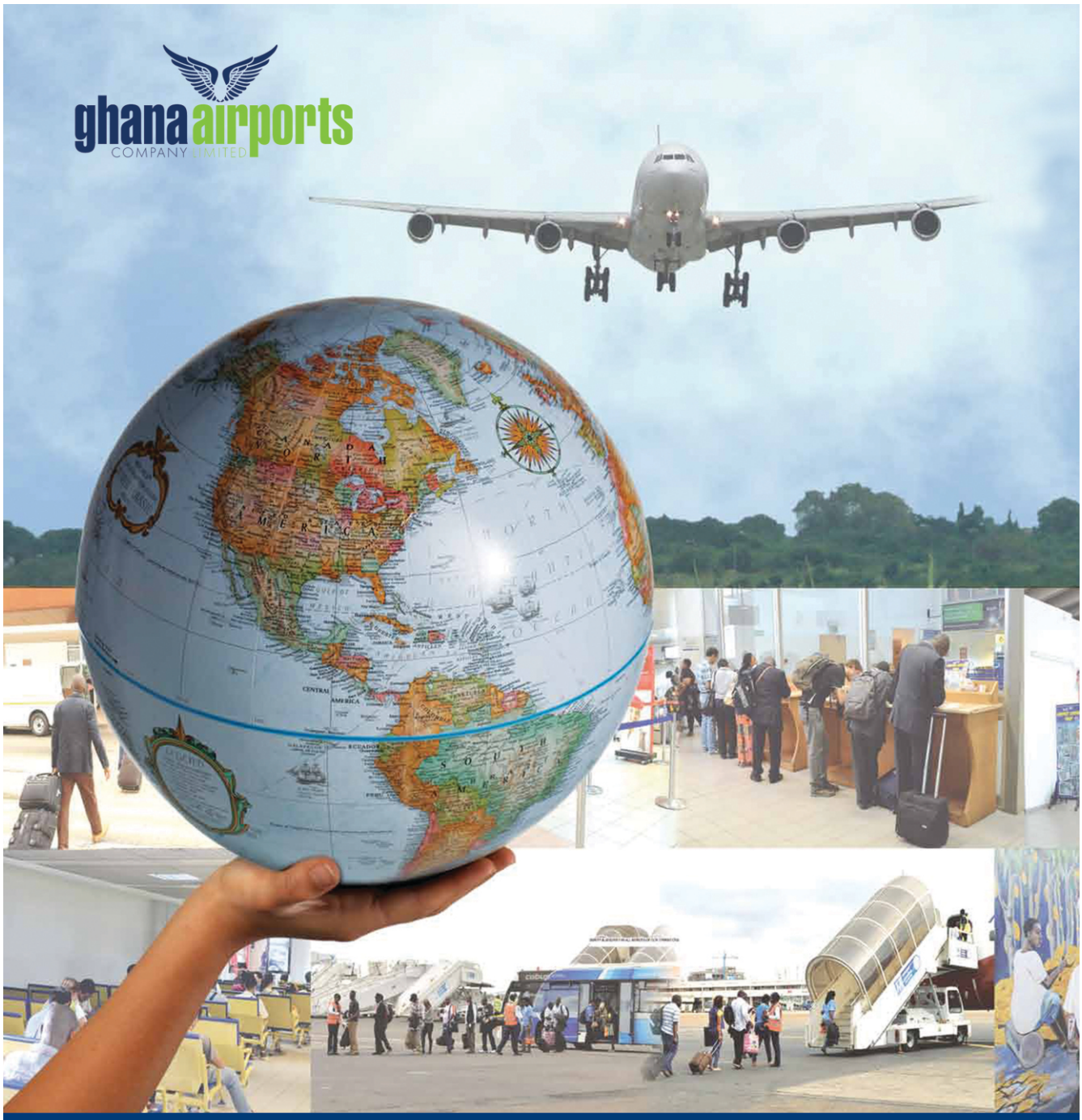
Conclusion

The year under review has been very eventful. On behalf of Management, I wish to express our appreciation to the Board of Directors, our dedicated staff, our cherished stakeholders and business partners for the support and commitment.

We hope that we would continue to enjoy the same level of co-operation as we continue to improve on the facilities and services at all our airports.

Thank you and God bless us all.

CHARLES KWAME ASARE



Our Vision: To position Ghana as the Preferred Aviation hub & Leader in Airport Business in West Africa.

Ghana Airports Company Limited

Directors' report

Directors:	Mr. Anthony Lithur	Chairman
	Mr. Charles Asare	Managing Director
	Dr. Ebenezer Ato Ayirebi - Acquah	
	Mad. Irene Akoto - Marfo	
	Dr. Bettie Solomon - Ayeh	
	Mrs. Gizella Tetteh Agbotui	
	Dr. Vitus Anaab - Bissi	
	Mr. Twumasi – Ankra Selby	
	Grp. Capt. Ralph R. Ayisa	

Secretary:

Mr. Robert Tagoe
P. O. Box KA PMB 36
Accra, Ghana

Registered office:

Ghana Airports Company Head Office
Kotoka International Airport
Accra, Ghana

Auditors:

Deloitte & Touche
Chartered Accountants
4 Liberation Road
P. O. Box GP 453
Accra

Bankers:

Access Bank Ghana Limited
Ecobank Ghana Limited
Barclays Bank Ghana Limited
Stanbic Bank Ghana Limited
Ghana International Bank Limited
Qatar National Bank
Standard Chartered Bank Ghana Limited

Ghana Airports Company Limited

Directors' report

In accordance with the requirements of section 132 of the Companies Act, 1963, (Act 179), the Directors have the pleasure in presenting the report of the Company for the year ended 31 December, 2015.

Principal activities

The principal activity of the Company and its subsidiaries are is to acquire, establish, develop, maintain, manage, control or operate airport facilities or services and any other lawful activity. The activities include facilities for airlines, passengers and cargo operations, rescue fire-fighting service, security service and other airport related services.

There were no changes in the principal activities of the Company and its subsidiaries.

Subsidiaries and Associates Companies

As at 31 December 2015, the Company had equity investments in the following companies:

Name of company	GACL percentage holding
Air Commerce Forex Bureau Limited	100%
Airport Clinic (Ghana) Limited	100%
Aviation Social Centre	100%
ServAir Ghana Limited	31%
Ghana Airport Cargo Centre Limited	18%

Going concern

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Ghana Airports Company Limited and its subsidiaries. The directors have reasonable expectation that adequate resources to continue as a going concern for the foreseeable future exist. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Auditors

In accordance with section 143(5) of the Companies Act, 1963 (Act 179) the auditors Messrs Deloitte & Touche, have been appointed as auditors of the Company.

Approval of the Financial Statements

The financial statements of the company were approved by the Board of Directors and signed on its behalf by:

Director:..... Director:.....

Date: Date: July 27, 2016

Ghana Airports Company Limited

Statement of directors' responsibility

The Companies Act, 1963 (Act 179) requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the company and its subsidiaries for that period. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether the applicable accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for ensuring that the company and its subsidiaries keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with International Financial Reporting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the asset of the company, and to prevent and detect fraud and other irregularities.

Deloitte.

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Accra
Ghana

Deloitte & Touche
Advisory Services
Ibex Court 4 Liberation Road
Dr. Ako Adjei Interchange
Accra
Ghana

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Fax: +233 (0) 302 775 480
Email: ghdeloitte@deloitte.com
www2.deloitte.com/gh

Independent auditors' report

To the Members of Ghana Airports Company Limited

Report on the financial statements

We have audited the accompanying financial statements of Ghana Airports Company Limited and its subsidiaries which comprise the statement of financial position as at 31 December 2015, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 31 December 2015, and a summary of significant accounting policies and other explanatory information and the directors' report, as set out on pages 11 to 51.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Companies Act, 1963 (Act 179).This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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.

Deloitte.

Independent auditors' report (cont'd)
To the members of Ghana Airports Company Limited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015 and of the financial performance and the cash flows of the Company for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii. In our opinion proper books of account have been kept by the Company and its subsidiaries so far as appears from our examination of those books; and
iii. The financial statements of the company are in agreement with the books of account.

Deloitte & Touche

Deloitte & Touche (ICAG/F/2016/129)
Chartered Accountants
4 Liberation Road
Accra, Ghana
Daniel Kwadwo Owusu (ICAG/P/1327)

1st August, ...2016

Ghana Airports Company Limited

Statement of financial position

As at 31 December 2015

		The company		Group	
		2015	2014	2015	2014
Non-current assets	**Note**	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Property, plant & equipment		**1,763,176**	1,624,057	**1,764,197**	1,624,965
Intangible assets	6	**124**	187	**301**	358
Investment properties	7	**17,236**	17,314	**17,236**	17,314
Investment in subsidiaries	8	**155**	542	**-**	-
Investment in associate	9	**4,716**	4,717	**4,716**	4,704
Financial asset	10	**17,044**	8,438	**17,451**	8,706
Total non-current assets		**1,802,451**	1,655,254	**1,803,901**	1,656,047
Current assets					
Inventory	11	**3,629**	1,032	**4,111**	1,455
Receivables and prepayments	12	**84,871**	60,709	**86,991**	63,009
Assets held for sale	13	**-**	6	**-**	6
Taxation	14	**2,342**	1,653	**1,487**	845
Advance Payment	15(i)	**185,000**	-	**185,000**	-
Cash collateral	15	**20,171**	17,027	**20,171**	17,027
Cash & cash equivalent	16	**81,410**	34,105	**83,723**	36,115
Total current assets		**377,423**	114,532	**381,483**	118,457
Total assets		**2,179,874**	1,769,786	**2,185,384**	1,774,504
Equity& liabilities					
Equity					
Issued capital	17	**1,000**	1,000	**1,000**	1,000
Government of Ghana capital support	18	**12,676**	12,676	**12,676**	12,676
Retained earnings		**1,625,885**	1,450,573	**1,629,496**	1,453,206
Revaluation surplus	19	**13,372**	13,372	**13,375**	13,393
Other reserves	20	**1,022**	1,022	**1,041**	1,024
Total equity		**1,653,955**	1,478,642	**1,657,588**	1,481,299
Non-current liabilities					
Employees benefit liability	21	10,834	12,117	**10,834**	12,117
		62,994		**62,994**	
Other long term liability	22		62,994		62,994
Long term loan	23	**393,800**	119,493	**393,800**	119,493
Total non-current liabilities		**467,628**	194,604	**467,628**	194,604
Current liabilities					
Term loan	23	-	51,477	-	52,091
Accounts payable	24	**51,817**	38,908	**53,694**	40,356
Deferred revenue	25	**6,474**	6,154	**6,474**	6,154
Total current liabilities		**58,291**	96,539	**60,168**	98,601
Total equity & liabilities		**2,179,874**	1,769,786	**2,185,384**	1,774,504

Director
Date:

Director
Date: July 27, 2016

The accompanying notes form an integral part of the financial statements.

Ghana Airports Company Limited

Statement of consolidated profit or loss and other comprehensive income

For the year ended 31 December 2015

		The Company		The Group	
Revenue	**Notes**	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Aeronautical revenue	26	**277,254**	239,922	**277,254**	239,922
Non-Aeronautical revenue	27	**46,044**	46,393	**82,797**	68,926
Total revenue		**323,298**	286,315	**360,051**	308,848
Direct cost	28	**(68,969)**	(49,035)	**(103,201)**	(68,184)
Gross profit		**254,329**	237,280	**256,850**	240,664
Operating expenses					
General and administration expenses	29	**(50,130)**	(33,584)	**(51,860)**	(36,031)
Employees benefits	30	**(43,895)**	(33,707)	**(43,895)**	(33,707)
Operating profit before finance cost		**160,304**	169,989	**161,095**	170,926
Finance cost	31	**(1,000)**	(558)	**(1,000)**	(558)
Other income	32	**17,246**	14,656	**17,499**	14,848
Profit before tax		**176,550**	184,087	**177,594**	185,216
Income tax expenses		**-**	-	**(349)**	(317)
Profit after tax		**176,550**	184,087	**177,245**	184,899
Total comprehensive income		**176,550**	184,087	**177,245**	184,899

The accompanying notes form an integral part of these consolidated financial statements.

Ghana Airports Company Limited

Statement of consolidated changes in equity

For the year ended 31 December 2015

The Company

	Issued Capital GH¢'000	GOG Capital support GH¢ '000	Retained earnings GH¢ '000	Revaluation surplus GH¢ '000	Other reserves GH¢ '000	Total GH¢ '000
Balance at 1 January 2015	1,000	12,676	1,450,573	13,372	1,022	1,478,642
Prior year adjustments	-	-	(1,238)	-	-	(1,238)
Actuarial gains	-	-	-	-	-	-
Profit for the year	-	-	176,550	-	-	176,550
Balance at 31 Dec 2015	1,000	12,676	1,625,885	13,372	1,022	1,653,955
Balance at 1 Jan 2014	1,000	12,676	1,266,769	13,372	1,022	1,294,839
Prior year adjustments	-	-	(283)	-	-	(283)
Actuarial gains	-	-	-	-	-	-
Profit for the year	-	-	184,087	-	-	184,087
Balance at 31 Dec 2014	1,000	12,676	1,450,573	13,372	1,022	1,478,642

The Group

	Issued Capital GH¢'000	GOG Capital support GH¢ '000	Retained earnings GH¢ '000	Revaluation surplus GH¢ '000	Other reserves GH¢ '000	Total GH¢ '000
Balance at 1 January 2015	1,000	12,676	1,453,206	13,393	1,024	1,481,299
Prior year adjustments	-	-	(955)	(18)	17	(956)
Actuarial gains	-	-	-	-	-	-
Profit for the year	-	-	177,245	-	-	177,245
Profit for the year	-	-	-	-	-	-
Balance at 31 Dec 2015	1,000	12,676	1,629,496	13,375	1,041	1,657,588
Balance at 1 Jan 2014	1,000	12,676	1,268,307	13,393	1,024	1,296,400
Profit for the year	-	-	184,899	-	-	184,899
Balance at 31 Dec 2014	1,000	12,676	1,453,206	13,393	1,024	1,481,299

The accompanying notes form an integral part of the financial statements.

Ghana Airports Company Limited

Statement of consolidated cash flows

For the year ended 31 December 2015

	The Company		The Group	
	2015	2014	**2015**	2014
Cash flow from operating activities	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Operating profit	**176,550**	184,087	177,594	184,791
Adjustments for:				
Depreciation, amortisation and impairment	**26,922**	22,112	**27,179**	22,337
Adjustment on depreciation	**1,946**	-	**1,856**	-
Finance cost	**22,927**	558	**22,927**	(328)
Loss/(profit) on sale property, plants and equipment	**183**	28	**183**	28
Prior year adjustments	**(1,238)**	(283)	**(1,238)**	(283)
Interest income	**(916)**	(1,196)	**(952)**	-
Operating profit before working capital changes	**226,374**	205,305	**227,549**	206,545
Decrease / (increase) in inventories	**(2,597)**	15	**(2,656)**	(130)
Increase in accounts receivables	**(24,162)**	(22,959)	**(23,982)**	(23,550)
Increase in account payables	**12,910**	3,531	**13,338**	3,890
Increase / (decrease) in employee benefit liability	**(1,283)**	(2,601)	**(1,283)**	**(2,601)**
Increase in deferred revenue	**319**	2,295	**320**	2,295
Asset held for sale	**6**	-	**6**	-
Interest income	**916**	1,196	**952**	1,196
Interest paid	**(22,927)**	(558)	**(22,927)**	(558)
Advance payment	**(185,000)**	-	**(185,000)**	-
Taxation	**(689)**	(1,653)	**(689)**	(1,715)
Net cash from operating activities	**3,867**	184,571	**5,628**	185,372
Cash flow from investing activities				
Purchase of property, plant and equipment	**(168,328)**	(250,077	**(168,633)**	(250,762
Proceeds from disposal of property, plant & equipment	**298**	4,076	**298**	14
Purchase of intangible assets	**-**	-	**-**	(5,138)
Investment in subsidiaries	**387**	-	**-**	-
Investment in associate company	**1**	(4062)	(12)	-
Change in financial assets	**(8,606)**	(5,038)	**(8,745)**	-
Net cash used in investing activities	**(176,248)**	255,101	**(177,092)**	(255,886)
Cash flow from finance activities				
Increase in finance lease	-	10,648	**-**	11,015
Net drawings from term loan	**222,830**	80,490	**222,216**	80,490
Net cash from financing activities	**222,830**	91,138	**222,216**	91,505
Net (decrease)/ increase in cash & cash equivalents	**50,450**	20,609	**50,752**	20,991
Cash & cash equivalents at the beginning of the financial year	**51,131**	30,522	**53,142**	32,151
Cash & cash equivalents at the end of the financial year	101,581	51,131	**103,894**	53,142
Analysis of cash and cash equivalents				
Cash and bank balance	**81,410**	34,104	**83,723**	36,115
Cash collateral	**20,171**	17,027	**20,171**	17,027
Cash and cash equivalents	101,581	51,131	103,894	53,142

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

1. General information

GACL was incorporated in 2006 but commenced business on 1st January 2007 under the Companies Code, 1963 (Act 179) with the responsibility to provide air transport services in Ghana. These include planning, developing, managing and maintaining all airports and aerodromes in the country. GACL is a decoupled company from Ghana Civil Aviation Authority under its restructuring exercise in 2006.

As at 31 December 2015, the Company had equity investments in the following companies

Name of company	GACL percentage holding
Air Commerce Forex Bureau Limited	100%
Airport Clinic (Ghana) Limited	100%
Aviation Social Centre	100%
ServAir Ghana Limited	31%
Ghana Airport Cargo Centre Limited	18%

2. Basis of preparation and accounting policies

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Ghana Cedi (GH¢).

3. Summary of significant accounting policies

3.1. Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.
The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

The Company and its subsidiaries uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company and its Subsidiaries determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.3. Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the Company and its Subsidiaries and the revenue can be reliably measured with the expected result that there will be an increase in an asset or a decrease of a liability, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment excluding taxes or duty.

In this respect, Operating Income from Aeronautical Services is recognised when services have been rendered and invoiced. Other Income earned by the Company and its Subsidiaries are recognised on the following basis:

3.3.1. Interest Income

Interest income is recognised on a time-proportion basis using the effective interest method. When receivables is impaired, the Company and its Subsidiaries reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

3.3.2. Other Income

Income earned on performance of other services (such as income from airport licensing and pass and interest income) is recognised as revenue upon completion of the act or service is provided or dividend is declared by the investee organisation or is received, whichever comes earlier.

3.4. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company and its Subsidiaries recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment transferred from third parties are initially measured at fair value at the date on which control is obtained. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

3.4.1. Depreciation

Depreciation is charged after a residual value which is the estimated amount, net of disposal costs, which the Company and its Subsidiaries would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. In the last year or period of the charge of depreciation to profit and loss account. The current Annual Depreciation rates for each class of Property, Plant and Equipment are as follows:

Buildings	2.5 – 16.67%
Roadways systems	3.33 – 5.0%
Parking facilities and lots	2.5 – 6.67%
Runway, taxiways and apron surfaces	2.5 – 6.67%
Other facilities	2.5 – 5.0%
Vehicles and maintenance equipment	12.5 – 20.0%
Furniture and equipment	10.0 – 20.0%
Computer hardware	25.0 – 50.0%

Residual values, useful lives and methods of depreciation for Property, Plant and Equipment are reviewed and adjusted if appropriate, at each financial year end.

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

3.4.2. Revaluation

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

3.5. Intangible assets

Intangible assets comprise computer software cost. These are measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization expense is recognized in profit or loss on a straight-line basis over the estimated useful lives of each computer software. Computer software cost are amortized over a three year period.

Computer software cost amortization methods, useful lives and residual values are reassessed at each reporting date.

3.6. Investment properties

(i) Initial Recognition

Investment properties are initially recorded at cost. Items of investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition or construction of the asset. When parts of an item of investment properties have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The cost of replacing part of an item of investment property is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of investment properties are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of investment property.

Investment properties are reflected at their depreciated cost prices. Depreciation is provided for on a straight-line basis, taking into account the residual value and estimated useful lives of the assets as follows:

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Buildings	2.5 – 16.67%

3.7. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and its Subsidiaries commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial investments

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Company and its Subsidiaries has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

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Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies
the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Loans and receivables

This category is the most relevant to the Company. 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 amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company and Subsidiaries has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

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Available-for-sale (AFS) financial investments

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held neither for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions. After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company and Subsidiaries may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss and other comprehensive income

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3. Summary of significant accounting policies (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's and Subsidiaries statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company and Subsidiaries has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company and Subsidiaries assesses, at each reporting date, whether there is objective evidence that a financial asset or a company of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a company 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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with default

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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3. Summary of significant accounting policies (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

3.7.1.1. Derecognition of financial liabilities

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

3.7.2. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. Summary of significant accounting policies (continued)

3.8. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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3. Summary of significant accounting policies (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.9 Cash and cash equivalent

Cash and cash equivalent in the statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

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Notes to the consolidated financial statements
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3. Summary of significant accounting policies (continued)
3.9. Employee benefits
3.9.1. Short-Term Benefits

Short-Term Employee Benefits are amounts payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of Short-Term Employee Benefits is recognised as an expense in the period when the economic benefit is given, as an Employment Cost. Unpaid Short-Term Employee Benefits as at the end of the accounting period are recognised as an accrued expense and any Short-Term Benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund a reduction in future cash payment.

Wages and Salaries payable to employees are recognised as an expense in the profit and loss account at gross amount. The Company's contribution to Social Security Fund is also charged as an expense.

3.9.2. Long service awards

The Company and subsidiaries pays its employees a long service benefit after ten years of continuous service. The benefit is paid in the month the employee reached the mile stone. The method of accounting and frequency of valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually. Refer to note 21 for further details.

3.10. Provisions

3.10.1. General

Provisions are recognised when the Company and subsidiaries has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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3.12 New and amended standards and interpretations

3.12.1 Standards and Interpretations effective in the current period

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board are effective for the current period:

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 "Separate Financial Statements"** – Investment Entities (effective for annual periods beginning on or after 1 January 2014) published by IASB on 31 October 2012.

  The amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

- **Amendments to IAS 32 "Financial instruments: presentation"** – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014) published by IASB on 16 December 2011.

  Amendments provide clarifications on the application of the offsetting rules and focus on four main areas (a) the meaning of "currently has a legally enforceable right of set-off"; (b) the application of simultaneous realisation and settlement; (c) the offsetting of collateral amounts; (d) the unit of account for applying the offsetting requirements.

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Standards and Interpretations effective in the current period – (Continued)

- **Amendments to IAS 36 "Impairment of assets"** - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014), published by IASB on 29 May 2013.

  These narrow-scope amendments to IAS 36 address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. Current amendments clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"** – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014), published by IASB on 27 June 2013.

  The narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- **IFRIC 21 "Levies"** (effective for annual periods beginning on or after 1 January 2014), published by IASB on 20 May 2013.

  IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The adoption of these amendments to the existing standards and interpretations has not led to any changes in the Entity's accounting policies.

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3.12.2Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective:

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2018), issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

- ***Classification and Measurement*** - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

- ***Impairment*** - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

- ***Hedge accounting*** - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

- ***Own credit*** - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

- **Amendments to IFRS 11 "Joint Arrangements"** – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2011.

  IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.
  IFRS 12 "Disclosures of Interests in Other Entities" published by IASB on 12 May 2011. IFRS 12 will require enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from

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involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities.

3.12.3 Standards and Interpretations in issue not yet adopted - continued

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016), published by IASB on 30 January 2014.

  This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2017), published by IASB on 28 May 2014.

  IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016), published by IASB on 11 September 2014.

  The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

- **Amendments to IFRS 11 "Joint Arrangements" –** Accounting for Acquisitions of Interests in Joint Operations published by IASB on 6 May 2014. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

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- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2014.

  Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

  Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016), published by IASB on 30 June 2014.

  The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment.

- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014), published by IASB on 21 November 2013.

  The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2013 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the company. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group

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- A performance condition may be a market or non-market condition and
- the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are similar.

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

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Annual improvements 2012-2014 Cycle

These improvements which was done in September 2014 are effective beginning on or after 1 January 2016 and are not expected to have a material impact on the company. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued

IFRS 7 Financial Instruments: Disclosures

Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

IAS 19 Employee Benefits

Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

4 Critical accounting judgments, estimates and assumptions.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

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Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful lives of property, plant and equipment

As described at 3.3 above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Employee Benefits

(i) Defined Contributory Plans

A defined contribution plan is a post-employment benefit plan under which the entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

The company contributes to the statutory Social Security & National Insurance Trust (SSNIT). This is a defined contribution plan and is registered under the National Pensions Act, 2008 (Act 766). The company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 13% of an employee's basic salary per month.

The company also operates a voluntary defined contribution scheme for its employees. The assets of this scheme are held by another entity who manages the scheme on behalf of employees. The scheme is funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with 'the scheme rules.

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(ii) Defined benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The liabilities of the company arising from defined benefit obligations and the related current service costs are determined on an actuarial basis using the Projected benefit pro-rated on service method. The company uses projected benefit pro-rated on service method to determine the present value of its defined benefit obligation and the related current service cost and, where applicable, past service cost. For defined benefit plans, actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred. The company recognises all actuarial gains and losses from defined benefit plans immediately in other comprehensive income.

(iii) Post-employment medical benefits

The Company pays all the medical bills of all its retired employees and their families.

Taxation

Income tax for the period comprises current and deferred taxation. Income tax is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the related income tax is also recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided at current tax rates, on the comprehensive basis, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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4. Property plant and equipment

The Company

Cost	Balance at 1 January 2015 GH¢'000	Additions GH¢'000	Disposal GH¢'000	Transfer GH¢'000	Reclassification GH¢'000	Balance at 31 December 2015 GH¢'000
Land	927,563	-	-	-	-	927,563
Building	57,710	-	-	-	-	57,710
Airfield Infrastructure	220,095	-	-	-	-	220,095
Equipment	62,639	10,991		7,145	(188)	80,577
Motor Vehicles	10,096	3,952	(295)	-	-	13,752
Capital Work in Progress	395,479	153,385	-	(7,145)	(510)	541,219
	1,673,582	168,328	(295)	-	(698)	1,840,916

Accumulated depreciation		Current depreciation	Disposal	Transfer	Reclassification	Balance at 31 December2015
Building	12,463	4,325	-	-	-	16,788
Airfield Infrastructure	22,009	7,929	-	-	-	29,938
Equipment	10,944	12,236	-	-	1,783	24,964
Motor Vehicles	4,108	2,057	(114)	-	-	6,050
	49,525	26,546	(114)	-	1,783	77,740
Carrying amount 31/12/2015						1,763,176
Carrying amount 31/12/2014						1,624,057

Ghana Airports Company Limited

Notes to the consolidated financial statements

For the year ended 31 December 2015

The Group

Cost	Balance at 1 January 2015 GH¢'000	Additions GH¢'000	Disposal GH¢'000	Transfer GH¢'000	Reclassification GH¢'000	Balance at 31 December 2015 GH¢'000
Land	927,563	-	-	-	-	927,563
Building	57,980	87	-	-	-	58,067
Airfield Infrastructure	220,095	-	-	-	-	220,095
Equipment	63,749	11,043	-	7,145	(188)	81,749
Motor Vehicles	10,197	4,067	(295)	-	-	13,969
Furniture & Fittings	33	20	-	-	-	53
Computer	8	3	-	-	-	11
Capital Work in Progress	395,578	153,413	-	(7,145)	(510)	541,336
	1,675,203	168,633	(295)	-	(698)	1,842,843

Accumulated depreciation		Current depreciation	Disposal	Transfer	Reclassification	Balance at 31 December2015
Building	12,569	4,334	-	-	-	16,903
Airfield Infrastructure	22,009	7,929	-	-	-	29,938
Equipment	11,356	12,346	-	-	1,783	25,485
Motor Vehicles	4,159	2,114	(114)	-	-	6,159
Furniture & Fittings	141	14	-	-	-	155
Computer	4	2	-	-	-	6
	50,238	26,739	(114)	-	1,783	78,646

Carrying amount 31/12/2015	1,764,197
Carrying amount 31/12/2014	1,624,965

Ghana Airports Company Limited

Notes to the consolidated financial statements

For the year ended 31 December 2015

5. Property plant and equipment – continued

Disposal

	The company		The Group	
	2015	2014	2015	2014
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost	**630**	84	**630**	84
Accumulated depreciation	**(149)**	(42)	**(149)**	(42)
Proceeds for sale of asset	**(298)**	(14)	**(298)**	(14)
Profit/(loss) from disposal	**(183)**	(28)	**(183)**	(28)

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

6. Intangible assets

	The company		The Group	
	2015 GH¢'000	2014 GH¢'000	**2015 GH¢'000**	2014 GH¢'000
Cost				
Cost as at 1 Jan	**422**	422	**884**	822
Addition	**-**	-	**8**	-
	422	422	**892**	822
Accumulated amortization				
Bal as at 1 January	**235**	173	**464**	173
Change for the year	**63**	62	**127**	291
Bal as at 31 December	**298**	235	**591**	464
Carrying amount	**124**	187	**301**	358

7. Investment properties

	The Company			The Group		
Cost	**Land GH¢'000**	**Building GH¢'000**	Total GH¢,000	**Land GH¢'000**	**Building GH¢'000**	Total GH¢,000
Balance as at 1 January	8,843	9,971	**18,814**	8,843	9,971	**18,814**
Disposal	-	**(335)**	**(335)**	-	(335)	**(335)**
Balance as at 31 December	8,843	9,636	**18,479**	8,843	9,636	**18,479**
Accumulated Depreciation						
Balance as at 1 January	**-**	1,500	**1,500**	-	1,500	**1,500**
Net Charge for the year	**-**	313	**313**	-	313	313
Disposal		(35)	(35)		(35)	(35)
Adjustment		(535)	**(535)**		(535)	(535)
Balance as at 31 December	**-**	**1,243**	**1,243**	-	**1,243**	**1,243**
Carrying amount as at 31 December 2015	8,843	8,393	**17,236**	8,843	8,393	**17,236**
Carrying amount as at 31 December 2014	8,843	8,471	17,314	8,843	8,471	17,314

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

7.2 Deferred Revenue

	The Company		The Group	
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Rental income derived from investment properties	**13,054**	4,474	**13,054**	4,474

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Investment properties are stated at cost.

The fair values for disclosure purposes have been determined using either the support of qualified independent external valuers or by internal valuers with the necessary recognised and relevant professional qualification, applying a combination of the present value of future cash flows. The fair value of the properties has not been determined using transactions observable in the market because of the lack of comparable data given the nature of property. Instead, a valuation model in accordance with that recommended by the International Valuation Standards.

The Company expects to realise its investment properties through rental income and capital appreciation on future sale. However, there is no formal arrangement to sell the properties as at 31 December 2015.

8. Investment in subsidiary

Aviation social Centre

This is a 100% owned subsidiary established to offer health, fitness, leisure and recreation services to the public.

Airport Clinic (Ghana) Limited

This is a 100% own subsidiary established to meet the conditions of an International Airport by International Civil Aviation Organization (ICAO) and to satisfy the medical needs of its staff and the public. The ownership of Airport Clinic Limited was transferred to GACL on the 4th of December 2008 after GCAA was restructured.

Air Commerce Forex Bureau Limited

This is 100% owned subsidiary established to meet forex transactions at the airport. The ownership of Air Commerce Forex Bureau Limited was transferred to GACL after GCAA was restructured.

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

In accordance with IFRS 10 Consolidated financial statements, Ghana Airports Company has present consolidated financial statements.

9. Investment in associate

The Company has a 31% interest in ServAir Ghana Limited which is involved in the preparation and cooking of food for both local and international airlines.

Serve Air Ghana Limited is a private entity that is not listed on any public exchange. Investment in associate is measured at cost.

The Company has 18% interest in Ghana Airport Cargo Centre Limited. These investments have been accounted for at cost.

10. Financial asset

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
GIB – financial asset	**17,044**	8,438	**17,451**	8,706

11. Inventory

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
General goods store	**884**	297	**1,366**	720
Electrical store	**2,184**	447	**2,184**	447
Other Inventory	**561**	288	**561**	288
	3,629	1,032	**4,111**	1,455

The total inventories have been valued at the lower of cost and net realizable value.

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

12. Accounts receivable

	The Company		The Group	
	2015 GH¢'000	2014 GH¢'000	**2015 GH¢'000**	2014 GH¢'000
Trade receivable	**67,341**	55,030	**67,500**	57,725
Intercompany receivables	**1,302**	588	**188**	(138)
Government of Ghana (GoG)	**1,000**	1,000	**1,000**	1,000
Other receivables	**15,228**	4,091	**18,303**	4,422
	84,871	60,709	**86,991**	63,247
Provision for doubtful debt	-	-	-	-
Total accounts receivable	**84,871**	60,709	**86,991**	63,009

Accounts receivables are non-interest bearing and are generally on terms of 30-90 days

13. Assets held for sale

This represents fleet of motor vehicles which qualified as held for sale assets as at 31st December 2015.

14. Taxation

The Government of Ghana has waived the payment of corporate taxes to the Ghana Revenue Authority. In view of the waiver, the company's policy of taxation is not applicable to this account. Consequently no estimate have been made with regards to taxation. The receivable balance on the tax account represents taxes withheld by customers of Ghana Airports Company Limited and thus represents valid tax receivable.

The Company

Company tax:	At 1.1.2015 GH¢'000	Payments GH¢'000	Charge for the year GH¢'000	**At 31.12.2015** GH¢'000
Income tax - 2014	(1,653)	-	-	**(1,653)**
Income tax - 2015	-	(689)	-	**(689)**
	(1,653)	(689)	-	**(2,342)**

The Group

Company tax:	At 1.1.2015 GH¢'000	Payments GH¢'000	Charge for the year GH¢'000	**At 31.12.2015** GH¢'000
Income tax - 2014	(1,661)	-	816	**(845)**
Income tax - 2015	-	(689)	47	**(642)**
	(1661)	(689)	862	**(1,487)**

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

15. Cash collateral

The Company has provided cash collateral as payment protection under the terms of its revolving loans. Lenders have the right to invoke the collateral if the minimum payments under the revolving portion of the debt are overdue.

	The Company		The Group	
	2015	2014	2015	2014
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Ecobank – debt service	**8,127**	-	**8,127**	-
HSBC – debt service reserve	-	7,530	-	7,530
Stanbic cash collateral	**1,850**	1,485	**1,850**	1,485
Stanbic debt service reserve	**9,250**	7,425	**9,250**	7,425
Ecobak lease debt service	**944**	587	**944**	587
	20,171	17,027	**20,171**	17,027

15(i). Advance Payment

The amount represent advance payment made from the syndicated loan towards the terminal three project.

16. Cash and cash equivalent

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Cash at hand	**38**	100	**42**	100
Cash at bank	**83,363**	34,431	**85,672**	36,015
Bank overdraft	**(1,991)**	(426)	**(1,991)**	-
	81,410	34,105	**83,723**	36,115

Ghana Airports Company Limited

Notes to the consolidated financial statements

For the year ended 31 December 2015

17. Stated Capital

	The company				The Group			
	2015		2014		2015		2014	
	No. of shares	**Proceeds GH¢'000**	No. of shares	Proceeds GH¢'000	**No. of shares**	**Proceeds GH¢'000**	No. of shares	Proceeds GH¢'000
Authorised	20,000,000	-	20,000,000	-	20,000,000	-	20,000,000	-
Issued	10,000	1,000	10,000	1,000	10,000	1,000	10,000	1,000

The total liability on share issued to the Government of the Republic of Ghana has not been paid.

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

18. GOG capital support

This represent the cost incurred directly by the Government of Republic of Ghana to renovate the Kumasi and Tamale Airports respectively during the CAN 2008 tournament held in Ghana. The government is expected to convert this investment into shares of the company.

19. Revaluation surplus

The carrying amount of a number of the Company's property, plant and equipment increased as a result of a revaluation exercise performed in 2011. The increase was expected to be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. This increase was however completely omitted and the balance has been reinstated in the prior year.

20. Other reserves

This consist of actuarial gain on post-employment medical benefits and other long service award. This is detailed in Note 21.

21. Employees' benefit liability

The employee's benefits liability consist of the Company's obligation to service awards and its post-employment medical benefits which are unfunded.

Long service awards

To recognise and reward members of staff for continuous and dedicated service, the Company makes awards to employees who have served for ten (10) years or more with cash donations and a testimonial (Shield or certificate). The cash payments vary with the number of years served.
The long Service Award benefit is payable to employees while still in the service of the Company.

Post-employment medical benefits

The Company pays all the medical bills of all retired employees.

The following tables summarise the components of net benefit expense recognised in the income statement and amounts recognised in the statement of financial position for the respective plans:

	The Company		The Group	
	2015	2014	**2015**	**2014**
Net benefit expense (recognized in employees benefits)	**GH¢'000**		**GH¢'000**	**GH¢'000**
Current service cost	-	-	-	-
Interest cost on benefit obligation	-	-	-	-
	-	-	-	-

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Notes to the consolidated financial statements
For the year ended 31 December 2015

Changes in the present value of the defined benefit obligation are as follows:

	Long service award	Post-employment medical	Total
	GH¢'000	GH¢'000	GH¢'000
Defined benefit obligation at 1 January, 2015	1,382	4,818	**6,200**
Current services cost	-	4,634	**4,634**
Defined benefit obligation at 31 December 2015	**1,382**	**9,452**	**10,834**

21. Employees' benefit liability – (continued)

The principal assumptions used in determining post-employment medical benefit obligations for the Company's plans are shown below:

	2015	2014
Liability discount rate	**18.0% per annum**	18.0% per annum
Rate of salary increases	**15.0% per annum**	15.0% per annum
Rate of inflation	**12.0% per annum**	12.0% per annum
Medical Rate of Inflation	**8.0% per annum**	8.0% per annum
Mortality loading	**10**	10

21.1 Other employee's benefits liability

	2015 GH¢'000	2014 GH¢'000	2015 GH¢'000	2014 GH¢'000
Balance as at 1 January	**5,917**	8,518	**5,917**	8,518
Interest cost incurred	**-**	1,067	**-**	1,067
Transfers to Terminal Benefit	**(5,917)**	(3,668)	**(5,917)**	(3,668)
Balance as at 31 December	**-**	5,917	**-**	5,917

This represents End of Service Benefit (EOSB) due to staff who were with Ghana Civil Aviation Authority (GCAA) before the decoupling in 2006. The EOSB has crystallised and interest is being accumulated. The total obligation on this scheme was paid to beneficiaries in April 2015.

Ghana Airports Company Limited

Notes to the consolidated financial statements
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21.2 Total employee's liability

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Other long term employees benefits	**1,382**	1,382	**1,382**	1,382
Post-employment medical benefits	**9,452**	4,818	**9,452**	4,818
Other employees liability	**-**	5,917	**-**	5,917
Total	**10,834**	12,117	**10,834**	12,117

The company's practice is to annually determine the actuarial value of its employees benefit in accordance with IAS 19 Employee Benefits.

The actuarial valuation to determine the employees benefit liability for the current and prior financial years were not performed, consequently, the balances on the account included in the financial statements do not reflect the fair value for the employees benefit liability.

22. Other long term liability

This represent various assets transferred from Ghana Civil Aviation Authority to GACL at book values as a result of the decoupling of the two entities in accordance with the Civil Aviation (Act 678), which provided for decoupling of the Airports' Management functions from Safety Regulation Services.

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Other long term liability	**62,994**	62,994	**62,994**	62,994

23. Term loan

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
EBG – Finance lease	**10,800**	10,648	**10,800**	10,648
HSBC loan account	**-**	87,241	**-**	87,241
GIB loan account	**-**	20,591	**-**	20,591
Stanbic loan account		52,490		52,490
Ecobank Syndicated loan	**383,000**	-	**383,000**	-
	393,800	170,970	**393,800**	170,970
Non-current portion	**-**	119,493	**-**	119,493
Current portion	**-**	51,477	**-**	51,477
Total	**393,800**	170,970	**393,800**	170,970

Ghana Airports Company Limited

Notes to the consolidated financial statements
For the year ended 31 December 2015

HSBC Loan

The company secured loan facilities from HSBC as follows:

1. A $33.62 million term loan from HSBC in 2009 to finance the phase III KIA Rehabilitation. Interest is at an agreed rate of 2.8% per annum. The facility has 12 months moratorium on principal repayment of 5 years. The loan matures in 2015.
2. A $34.9 million term loan from HSBC in 2014 to finance the Bay Zero project at KIA. Interest is at an agreed rate of 2.16% per annum. The facility has 12 months moratorium on principal repayment of 5 years. The loan was fully paid in 2015.

GIB Loan

This represent a $17 million loan to pay off the CAL Bank facility and to finance phase III of the KIA Rehabilitation. The loan is secured on receivables from Airlines and is repayable over 8 equal instalments by 13th May, 2016. Interest is payable at US Prime plus a reasonable rate agreed between the parties. The loan was fully paid in 2015.

Stanbic Loan

The Company secured a term loan facility of $20 million from Stanbic Bank to finance the construction of the Southern Apron and Baggage Carousel. The facility has an interest rate of 3 months LIB plus (+) 4.75% with principal payment of 8 semi-annuals. It has security of $0.5 million, DSRA $2.5 million with final repayment by May 2018. The loan was fully paid in 2015.

Ecobank Finance Lease

The Company secured a finance lease facility from Ecobank Ghana Limited on 15 August 2014 for a maximum contract amount of $6.2 million for the purchase of vehicles and other equipment. The facility matures in 2017.

Ecobank Syndicated Loan

This is in respect of a $400 million financing arrangement for Terminal 3 and other Aerodrome projects. The loan is secured on receivables from Airlines.
Summary of the facility component is as follows:

1. A Commercial Tranche of $250 million syndicated among 8 Commercial Banks for a tenor of 7 years with a grace period of 2 years, and interest rate of Libor plus a margin of 8% p.a.

2. A Development Finance Tranche of $150 million to be syndicated among DFI's for a tenor 15 years with a grace period of 5 years, and interest of Libor plus a maximum margin of 5% p.a.

$100 million has been drawn down so far from the Commercial tranche.

Ghana Airports Company Limited

Notes to the consolidated financial statements
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24. Accounts payables

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Trade payables	**21,132**	19,033	**22,692**	19,033
Other payables	**23,564**	11,121	**23,881**	11,121
Accrued expense	**7,121**	8,754	**7,121**	8,754
	51,817	38,908	**53,694**	38,908

Trade payables are non-interest bearing and are normally settled on 60-day terms. Other payables are non-interest bearing and have an average term of six (6) months.

25. Deferred revenue

Deferred revenue consist of prepayment of rent and royalties for a long-term lease which was amortised to earnings using the straight-line method over the tenant's lease term. It also consist of the present value of deferred interest on financial asset discounted at a rate of 0.625% over 3 years.

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Balance as at 1 January	**6,154**	3,859	**6,154**	3,859
Rent received	**13,374**	6,769	**13,374**	6,769
Released to income statement	**(13,054)**	(4,474)	**(13,054)**	(4,474)
Balance as at 31 December	**6,474**	6,154	**6,474**	6,154

26. Aeronautical revenue

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Navigational charges	**28,796**	23,252	**28,796**	23,252
APSC revenue	**247,297**	215,552	**247,297**	215,552
Revenue – fire standby	**1,161**	1,118	**1,161**	1,118
	277,254	239,922	**277,254**	239,922

Ghana Airports Company Limited

Notes to the consolidated financial statements

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27. Non - aeronautical revenue

	The company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Car park toll	**4,897**	4,597	**4,897**	4,597
Rent	**13,143**	13,598	**13,143**	13,598
Royalties	**28,004**	28,198	**28,004**	28,198
Services Rendered	**-**	-	**8,837**	7,305
Sales income	**-**	-	**27,916**	15,228
	46,044	46,393	**82,797**	68,926

28. Direct expense

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Depreciation expense	**15,933**	11,331	**16,168**	11,457
Cleaning, and sanitation	**5,156**	4,113	**8,842**	4,113
Wages and salaries	**33,391**	22,472	**35,340**	23,138
Other direct expense	**14,489**	11,120	**42,851**	29,476
	68,969	49,035	**103,201**	68,184

Ghana Airports Company Limited

Notes to the consolidated financial statements

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29 General and administration expenses

	The company		The group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Utility expenses	**401**	599	**405**	744
Machine running expense	**210**	344	**257**	367
Repairs and maintenance	**8,300**	7,761	**8,407**	7,799
Travelling and transport expense	**1,077**	512	**1096**	512
Depreciation and amortization	**10,989**	7,614	**11,011**	7,691
Advertising and marketing	**297**	304	**299**	304
Audit fees	**84**	66	**101**	92
Board expenses	**1,833**	1,393	**1,903**	1,538
Consultancy services	**7,049**	4,077	**7,049**	4,077
Conference and meeting	**2,434**	1,629	**2,434**	1,629
Exchange loss	**4,680**	-	**4,680**	-
Insurance	**1,900**	1,438	**1,900**	1,446
Legal and professional fees	**939**	249	**954**	281
Loss on sale of fixed assets	**183**	28	**183**	28
Bank charges	**1,856**	1,573	**1,860**	1,577
Public relations and donations	**1,306**	1,441	**1,320**	1,449
Staff training and subscription	**5,028**	3,158	**5,028**	3,196
Other office and admin. expenses	**1,564**	1,398	**2,431**	1,564
Other Employee cost			**222**	1,724
Rent	-	-	**235**	-
Ex-gratia	-	-	**59**	13
Family Fun & Fitness Exp.	-	-	**26**	-
	50,130	33,584	**51,860**	36,031

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30. Employee benefits

	The company		The group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Wages and salaries	23,090	21,909	23,090	21,909
Staff welfare and medical benefits	8,232	5,743	8,232	5,743
Pension costs	8,807	3,232	8,807	3,232
Other staff cost	3,766	2,823	3,766	2,823
	43,895	33,707	43,895	33,707

31. Finance Cost

	The company		The group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Interest on overdraft	**34**	21	**34**	21
Interest on finance lease	**966**	537	**966**	537
	1,000	558	**1,000**	558

32. Other income

	The Company		The Group	
	2015	2014	**2015**	2014
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Interest income	**917**	1,196	**952**	1,248
Airport operators licensing and pass	**16,243**	1,925	**16,243**	1,925
Exchange gain	**-**	11,498	**14**	11,546
Other miscellaneous income	**86**	37	**289**	129
	17,246	14,656	**17,499**	14,848

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33. Related party disclosures

The following table provides the total amount of transactions that have been entered into with related parties as at 31 December 2015.

	The Company		The Group	
	2015	2014	2015	2014
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Medical	**3,004**	3,131	**3,004**	3,131
Recreational Services	**110**	61	**110**	61

The above-mentioned outstanding balances arose from the ordinary course of business.

33.1 Transactions with key management personnel

The members of the Board of directors are considered the key management of the Company.

The totals of the remuneration of the Board members included in the income statement are as follows:

	The company		The Group	
	2015 GH¢'000	2014 GH¢'000	2015 GH¢'000	2014 GH¢'000
Short-term employee benefits	**935**	336	**935**	336
Other long-term benefits	**898**	478	**898**	478
Total compensation paid to key management personnel	**1,833**	814	**110**	814

34. Contingencies and commitments

Ghana Airports Company Limited has no contingent liabilities in respect of claims and other matters arising in the ordinary course of business as at the end of the financial year. (2014: nil).

35. Risk Management

Ghana Airports' Board of Directors are responsible for understanding the principal risks of the business in which GACL is engaged, achieving a proper balance between risks incurred and the purpose of GACL confirming that there are systems in place to effectively monitor and manage those risks with a view to the long – term viability of GACL.

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The Board of Directors has established the Audit Committee, which reviews significant financial risks associated with future performance, growth and lost opportunities identified by management that could materially affect the ability of GACL to achieve its strategic or operational targets.

The Board of Directors are responsible for confirming that management has procedures in place to mitigate identified risk.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company mitigates credit risk by endeavouring to obtain security deposits, letters of credit and other credit enhancement methods.

35. Risk Management – continued

Liquidity risk

Liquidity risk arises through excess obligations due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. GACL achieves this through funds generated through operations and bank borrowings. Access to sources of funding is sufficiently available.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and deposits.

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

GACL's functional currency is the Ghana Cedi, and major purchases are transacted in Ghana Cedi. Management believes that the foreign exchange risk from currency conversion is negligible.

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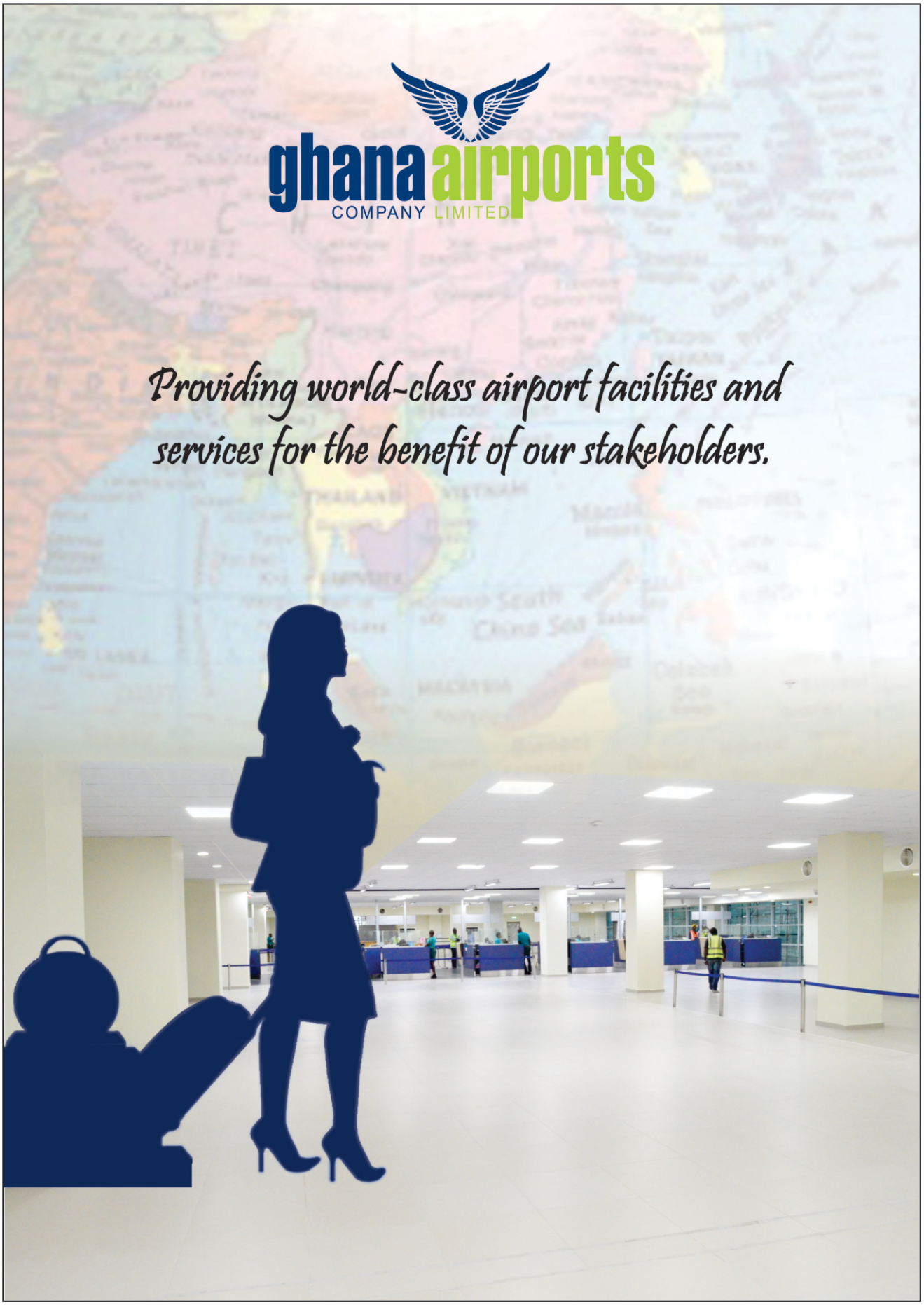
Interest rate risk

Interest rate risk is the risk arising because of the fluctuations in interest rates. GACL is exposed to interest rate risk on its cash and cash equivalents, restricted deposits, post-employment benefits liabilities and long-term debt. Fluctuations in interest rates will have an impact on the fair value of the long-term debt

Capital Management

GACL is incorporated with all its share capital held by the Government of Ghana. All surpluses are retained and reinvested in airport operations and development. GACL manages contributed capital and equity in property, plant and equipment as capital safeguard the entity's ability to operate and manage its airports in a safe and secure fashion.

GACL sets the amount of capital proportion to risk and its ability to operate the airports in conjunction with its stated purpose. GACL manages the capital structure and makes adjustments to it in the light of changes in economic conditions and risk characteristics of the underlying assets.


ghana airports
COMPANY LIMITED
Providing world-class airport facilities and services for the benefit of our stakeholders.

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