



VOLTA LAKE TRANSPORT COMPANY LTD

Trading as

VOLTA LAKE TRANSPORT COMPANY LTD

(Registration Number 3979)

Annual Financial Statements

for the year ended 31 December 2023

FINAL

Audited Financial Statements

in compliance with the Companies Act, No 992 of 2019

VOLTA LAKE TRANSPORT COMPANY LTD

(Registration Number 3979)

Annual Financial Statements for the year ended 31 December 2023

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	Ghana
REGISTRATION NUMBER	3979
REGISTRATION DATE	9 March 1970
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Principal business activities: (a) To operate as public carriers, all forms of water borne transport including hovercraft for persons and or freight on the Volta Lake. (b) To act as Ship Owners, Charterers, Warehousemen, Storekeepers, Wharffingers, Lightermen, and Stevedores.
DIRECTORS	Mr Emmanuel Antwi-Darkwa Mr Emmauel Ofosu Offei Dr Ebenezer Tagoe Mr Josiah Attah Mr Richard Obeng Okrah Mr Nathaniel Amonoo Wilson Mrs Rose Applah Okyere
REGISTERED OFFICE	Volta River Authority 28th February Road P. O. Box MB 77 Accra-Ghana
BUSINESS ADDRESS	Akosombo Port
POSTAL ADDRESS	Volta Lake Transport Limited P. O. Box 75 Akosombo
BANKERS	GCB BANK ZENITH BANK
AUDITORS	Aikins-Hawkson & Associates Top Floor, El's Place Christian Village Junction, Off GIMPA Road P. O. Box MP 1559 Mamprobi-Accra
COMPANY SECRETARY	Mr Michael Okyere Karikari-Yeboah

VOLTA LAKE TRANSPORT COMPANY LTD

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Annual Financial Statements for the year ended 31 December 2023

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2023.

1. Statement of Directors' responsibilities

The Directors are responsible for the preparation and fair presentation of the financial statements, and other explanatory notes in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants Ghana (ICAG) mandated by the ICAG Act, 2020 (Act 1058), and in a manner required by the Companies Act, 2019 (Act 992), and other national regulations where appropriate. In preparing these financial statements, the Directors confirm that suitable accounting policies have been used and consistently applied; and that judgements and estimates made, are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 2019 (Act 992). The Directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The Directors are responsible for ensuring that the company complies with the laws and regulations applicable to its activities and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that may occur. The above statements which should be read in accordance with the auditor's report set out on page 9 to 14 are made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditor in relation to these financial statements. The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

2. Review of financial results and activities

Main business and operations

The company (a) To operate as public carriers, all forms of water borne transport including hovercraft for persons and or freight on the Volta Lake.

(b) To act as Ship Owners, Charterers, Warehousemen, Storekeepers, Wharffingers, Lightermen, a Comnd Stevedores.
. There were no major changes herein during the year.

The company generated a loss after tax for the year ended 31 December 2023 of ₵7,458,377 (2022: ₵12,474,285).

The company's revenue increased from ₵24,065,536 in the prior year to ₵40,250,532 (67% increase) for the year ended 31 December 2023. This was due to monitoring mechanisms put in place by Management at the ferry stations as well as improvement in transportation of liquid and dry cargoes.

The company's cash flows from operating activities changed from an outflow of ₵3,086,536 in the prior year to an inflow of ₵45,769 for the year ended 31 December 2023.

3. Going concern

The Directors have made assessment of the ability of the Company to continue as a going concern and have no reason to believe that the Company will not continue to be a going concern into the foreseeable future. Furthermore, directors are not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern.

4. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

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DIRECTORS' REPORT

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

5. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

6. Dividend

No dividend was declared or paid to the shareholder during the year.

7. Capacity building of Directors

During the year ended 31 December 2023, no formal training was organised for the Directors by the Company.

8. Audit Fees

Audit fee for the year ended 31 December 2023 is GH¢101,290.27 (2022: GH¢84,409)

9. Independent Auditors

Aikins-Hawson & Associates were the independent auditors for the year under review.

By Order of Board

Director

Date: 05/04/2024

Director

Date: 05/04/2024

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of VOLTA LAKE TRANSPORT COMPANY LTD

Report on the Audit of the Financial Statements

Opinion

We were engaged to audit the financial statements of VOLTA LAKE TRANSPORT COMPANY LTD set out on pages 7 to 22, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act, No 992 of 2019.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act, No 992 of 2019, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code and in accordance with other ethical requirements applicable to performing the audit of the financial statements in Ghana.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also;

☑ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

☑ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

☑ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

☑ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with The Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

As required by the The Companies Act, 2019 (Act 992) we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



Aikins-Hawkson & Associates

For and behalf: Aikins-Hawkson & Associates

Firm License No. ICAG/F/2024/185

Practicing Certificate: License No. ICAG/P/1166

08/04/2024

VOLTA LAKE TRANSPORT COMPANY LTD

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Financial Statements for the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION

Figures in ₴

	Notes	2023	2022
ASSETS			
Non-current assets			
PROPERTY, PLANT AND EQUIPMENT	3	161,093,153	170,110,704
Current assets			
INVENTORIES	4	6,573,165	3,002,266
TRADE AND OTHER RECEIVABLES	5	6,766,649	6,228,067
Cash and cash equivalents	6	3,897,356	2,950,573
Total current assets		17,237,170	12,180,906
Total assets		178,330,323	182,291,610
EQUITY AND LIABILITIES			
Equity			
Stated Capital	7	1,123,250	1,123,250
Capital Surplus	7	54,492,221	67,545,192
Government Grant	7	1,231,594	1,231,594
Shareholders' Advance	7	40,378,718	36,429,493
Retained income		37,187,435	31,592,841
Total equity		134,413,218	137,922,370
Liabilities			
Non-current liabilities			
Long term loan	9	336,817	-
Deferred Income: Long term portion of the Capital Grant	10	35,597,225	36,806,513
Total non-current liabilities		35,934,042	36,806,513
Current liabilities			
TRADE AND OTHER PAYABLES	8	6,268,550	6,353,439
Current term portion of Capital Grant and Loan	10	1,714,513	1,209,288
Total current liabilities		7,983,063	7,562,727
Total liabilities		43,917,105	44,369,240
Total equity and liabilities		178,330,323	182,291,610

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STATEMENT OF COMPREHENSIVE INCOME

Figures in ₴	Notes	2023	2022
Revenue	11	40,250,532	24,065,536
Operating Expenses	12	(34,693,455)	(28,588,995)
Gross profit / (loss)		5,557,077	(4,523,459)
Other income	13	1,431,870	1,453,778
Administrative expenses	14	(13,195,842)	(8,515,400)
Other expenses	15	(1,251,482)	(889,204)
Loss from operating activities	16	(7,458,377)	(12,474,285)
Loss for the year		(7,458,377)	(12,474,285)

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STATEMENT OF CHANGES IN EQUITY

Figures in ₺	Issued capital	Capital reserves	Government Grant	Shareholders' Advance	Retained income	Total
Balance at 1 January 2022	1,123,250	80,598,163	1,231,594	32,929,050	31,014,155	146,896,212
Changes in equity						
Loss for the year	-	-	-	-	(12,474,285)	(12,474,285)
Total comprehensive income for the year	-	-	-	-	(12,474,285)	(12,474,285)
Increase in Shareholders' Advance	-	-	-	3,500,443	-	3,500,443
Transfers between equity	-	(13,052,971)	-	-	13,052,971	-
Balance at 31 December 2022	1,123,250	67,545,192	1,231,594	36,429,493	31,592,841	137,922,370
Balance at 1 January 2023	1,123,250	67,545,192	1,231,594	36,429,493	31,592,841	137,922,370
Changes in equity						
Loss for the year	-	-	-	-	(7,458,377)	(7,458,377)
Total comprehensive income for the year	-	-	-	-	(7,458,377)	(7,458,377)
Increase in Shareholders' Advance	-	-	-	3,949,225	-	3,949,225
Transfers between equity	-	(13,052,971)	-	-	13,052,971	-
Balance at 31 December 2023	1,123,250	54,492,221	1,231,594	40,378,718	37,187,435	134,413,218
	7	7	7	7	7	7

Notes

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STATEMENT OF CASH FLOWS

Figures in ₴

	Note	2023	2022
Cash flows from / (used in) operations			
Loss for the year		(7,458,377)	(12,474,285)
Adjustments to reconcile loss			
Adjustments for increase in inventories		(3,570,899)	(861,324)
Adjustments for (increase) / decrease in trade accounts receivable		(1,860,876)	2,815,144
Adjustments for decrease / (increase) in other operating receivables		1,322,294	(2,902,525)
Adjustments for decrease in trade accounts payable		(7,797)	(609,822)
Adjustments for (decrease) / increase in other operating payables		(77,092)	176,887
Adjustments for decrease in deferred income		(704,063)	(1,209,288)
Adjustments for depreciation and amortisation expense		12,402,579	11,978,677
Total adjustments to reconcile loss		7,504,146	9,387,749
Net cash flows from / (used in) operations		45,769	(3,086,536)
Cash flows used in investing activities			
Purchase of property, plant and equipment		(3,385,028)	(1,958,047)
Purchase of other financial assets		-	14,562
Cash flows used in investing activities		(3,385,028)	(1,943,485)
Cash flows from financing activities			
Proceeds from issuing other equity instruments		3,949,225	3,500,443
Proceeds from other financial liabilities		336,817	-
Cash flows from financing activities		4,286,042	3,500,443
Net increase / (decrease) in cash and cash equivalents		946,783	(1,529,578)
Cash and cash equivalents at beginning of the year		2,950,573	4,480,150
Cash and cash equivalents at end of the year	6	3,897,356	2,950,572

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NOTES TO THE FINANCIAL STATEMENTS

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2023

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1. GENERAL INFORMATION

Volta Lake Transport Company Limited (VLTC) is a wholly owned subsidiary of Volta River Authority (VRA) was incorporated on February 23, 1970 under the Companies Act, 2019 (Act 992) to operate as a carrier of all forms of water-borne transport, including hovercraft for persons/ or freight on the Volta Lake. The Company operates a fleet of passenger vessels, cargo ships and barges.

The address of the Company's registered office is indicated in page 1.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of VOLTA LAKE TRANSPORT COMPANY LTD have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act, No 992 of 2019. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in Cedi.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out in the notes to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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3. PROPERTY, PLANT AND EQUIPMENT

3.1 Accounting policies

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Plant and Machinery	20%
Motor vehicles	20%
Craft	2.50%
Fixtures and fittings	20%
Capital Work in Progress	

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

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PROPERTY, PLANT AND EQUIPMENT continued...

Balances at year end and movements for the year

	Land and Building	Plant and Machinery	Motor vehicles	Craft	Fixtures and fittings	Work-in-progress	Capital Work in Progress	Total
Reconciliation for the year ended 31 December 2023								
Balance at 1 January 2023	55,325,575	3,483,816	5,488,902	443,194,408	1,941,239	-	-	509,428,940
At cost	(25,045,764)	(1,995,388)	(4,963,243)	(306,470,891)	(842,950)	-	-	(339,318,236)
Accumulated depreciation	30,279,811	1,488,428	520,659	136,723,517	1,998,289	-	-	170,110,704
Carrying amount								
Movements for the year ended 31 December 2023								
Additions from acquisitions	19,281	331,815	1,366,070	168,622	1,299,240	-	-	3,385,028
Depreciation	(746,932)	(566,121)	(167,676)	(10,584,976)	(336,875)	-	-	(12,402,580)
Property, plant and equipment at the end of the year	29,552,160	1,454,122	1,719,053	126,307,163	2,060,654	-	-	161,093,152
Closing balance at 31 December 2023								
At cost	55,344,856	4,015,630	6,849,972	443,363,030	3,240,479	-	-	512,813,967
Accumulated depreciation	(25,792,696)	(2,561,509)	(5,130,919)	(317,055,866)	(1,179,825)	-	-	(351,720,815)
Carrying amount	29,552,160	1,454,121	1,719,053	126,307,164	2,060,654	-	-	161,093,152
Reconciliation for the year ended 31 December 2022								
Balance at 1 January 2022	54,950,043	2,972,717	4,945,290	443,194,408	1,076,388	-	332,051	507,470,897
At cost	(24,298,832)	(1,486,677)	(4,945,290)	(295,890,129)	(718,634)	-	-	(327,339,562)
Accumulated depreciation	30,651,211	1,486,040	-	147,304,279	357,754	-	332,051	180,131,335
Carrying amount								

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PROPERTY, PLANT AND EQUIPMENT continued...

Movements for the year ended 31

December 2022

Additions from acquisitions	375,532	511,099	538,613	-	532,803	-	1,958,047
Depreciation	(746,932)	(508,711)	(17,954)	(10,580,760)	(124,319)	-	(11,978,676)
Property, plant and equipment at the end of the year	30,279,811	1,488,428	520,659	136,723,519	766,238	332,051	170,110,706

Closing balance at 31 December 2022

At cost	55,325,575	3,483,816	5,483,902	443,194,408	1,609,188	332,051	509,428,940
Accumulated depreciation	(25,045,764)	(1,995,388)	(4,963,243)	(306,470,891)	(842,950)	-	(339,318,236)
Carrying amount	30,279,811	1,488,428	520,659	136,723,517	766,238	332,051	170,110,704

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4. INVENTORIES

4.1 Accounting policies

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

4.2 Inventories comprise:

Stationery	221,403	22,723
FUEL_inventory	1,622,212	1,225,070
SPARES & COMPONENTS	4,590,654	1,593,669
Tickets	138,896	160,804
	<u>6,573,165</u>	<u>3,002,266</u>

5. TRADE AND OTHER RECEIVABLES

5.1 Accounting policies

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

5.2 TRADE AND OTHER RECEIVABLES comprise:

Trade Debtors	3,870,327	2,142,329
Staff Debtors	568,652	435,774
WHT Receivables	1,834,313	832,714
VAT Receivables	22,185	18,484
Prepaid expenses	471,172	2,787,966
Rent Advance	-	10,800
Total trade and other receivables	<u>6,766,649</u>	<u>3,649,964</u>

6. CASH AND CASH EQUIVALENTS

6.1 Accounting policies

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

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CASH AND CASH EQUIVALENTS continued...

6.2 Cash and cash equivalents included in current assets:

Short term investments	763,574	838,046
Cash at Bank	2,906,676	1,985,368
Cash on Hand	227,107	127,159
Cash and cash equivalents	3,897,357	2,950,573

7. STATED CAPITAL

7.1 Accounting policies

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

7.2 Authorised and issued share capital

Authorised Stated Capital		
200 Ordinary shares	1,123,250	1,123,250
Capital Surplus	54,492,221	67,545,192
	55,615,471	68,668,442

8. TRADE AND OTHER PAYABLES

8.1 Accounting policies

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

8.2 Trade and other payables comprise:

Trade and Other Payables	4,844,779	4,852,576
VRA Hospital Bills	752,995	1,065,718
Outside Debtors (Vessel)	239,541	239,541
Electricity Usage-VRA	431,235	195,604
Total trade and other payables	6,268,550	6,353,439

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9. LONG TERM LOAN

9.1 Accounting policies

LONG TERM LOAN are recognised initially at the transaction price, including transaction costs except where the liability will subsequently be measured at fair value, once the company becomes party to the contractual provisions of the instrument. Where fair values can be measured reliably without undue cost or effort, these liabilities are subsequently measured at fair value with the changes in fair value being recognised in profit or loss.

9.2 Long term comprise:

Long term loan	336,817	-
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10. DEFERRED INCOME: LONG TERM PORTION OF CAPITAL GRANT

10.1 Accounting policies

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the company has complied with all attached conditions. Grants received where the company has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

10.2 Deferred Income: Long term portion of Capital Grant

Deferred Grant: Long term porton	35,597,225	36,806,513
Current term portion of Capital Grant and Loan		
Current portion of Grant	1,209,288	1,209,288
Current portion of loan	505,225	-
	1,714,513	1,209,288

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11. REVENUE

11.1 Accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the company's right to receive payment has been established and is shown as 'finance income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

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<i>REVENUE continued...</i>		
11.2 Revenue comprises:		
Dry Cargo	3,427,749	2,031,439
Fuel	11,662,372	6,574,729
Ferry Services	25,160,411	15,459,368
Total revenue	40,250,532	24,065,536
12. OPERATING EXPENSES		
<i>Operating expenses comprise:</i>		
Staff Cost	8,205,292	6,120,485
Fuel & Lubricants	10,243,427	7,559,960
Materials & Maintenance	4,085,329	2,993,539
Stevedoring Charges	161,258	112,122
Printing & Stationery	131,640	151,327
Insurance	362,594	306,265
Traveling Expenses	266,123	187,400
Naval Support cost	57,500	62,500
Sundry Expenses	29,195	5,924
Depreciation	11,151,097	11,089,473
Total	34,693,455	28,588,995
13. OTHER INCOME		
<i>Other income comprise:</i>		
Rent income	13,800	35,080
Capital grant release	1,209,288	1,209,288
Miscellaneous Income	193,147	89,945
Interest income	15,635	119,465
Total other income	1,431,870	1,453,778

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14. ADMINISTRATIVE EXPENSES

Administrative expenses comprise:

Staff cost	6,746,404	4,813,945
Maintenance	517,381	402,823
Medicals	947,108	772,128
Utilities-Electricity & Water	504,745	28,448
Fuel & Lubricant	551,383	356,053
Travelling & Subsistence	266,119	234,964
Printing & Stationery	158,845	52,438
Publicity and adverts	56,119	24,369
Insurance	370,772	44,901
Meals	126,502	57,613
Consultancy fees	77,273	21,925
Lease of vehicles	174,352	171,494
Audit fees	101,290	84,409
Audit expenses	8,070	3,626
Board allowances	80,000	97,864
Board expenses	3,865	377
Audit committee allowances	108,142	114,002
Audit committee expenses	8,818	33,906
ESB interest	443,041	
Rent	31,200	
Financial charges	108,909	83,810
Interest on loan	73,654	
Training	476,524	218,621
Hotel & Accommodation	26,902	69,520
Subscriptions	35,159	9,194
Postage & Telecommunication	13,915	19,674
Business registration & License	697,585	195,783
Property rate	126,431	16,202
Security expense	73,140	
Sundry expense	282,194	197,892
AMC bills on behalf of staff	-	65,007
Enhanced provident fund	-	79,930
Fuel shortage charges	-	244,482
	-	-
Total administrative expenses	13,195,842	8,515,400

15. Other expenses

Other expenses comprise:

Depreciation	1,251,482	889,204
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16. LOSS FROM OPERATING ACTIVITIES

Loss from operating activities includes the following separately disclosable items

Operating Cost

Property plant and equipment

- depreciation

11,151,097

11,089,473

Other operating expenses

Property plant and equipment

- depreciation

1,251,482

889,204

17. FOREIGN EXCHANGE GAINS AND LOSSES

Accounting policies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains – net'.

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18. RELATED PARTIES

Accounting policies

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.