GRIDCo
Backbone to Power Delivery

GHANA GRID
COMPANY LIMITED

ANNUAL REPORT 2018

Backbone to Power Delivery

Contact Details

Head Office
Ghana Grid Company Limited
P.O. BOX CS 7979, Tema, Ghana

Tel: (+233) (0) 30-3318700 / 3318790

Fax: (+233) (0) 30 2676180 / 030 3318720

Email: gridco@gridcogh.com

Web: www.gridcogh.com

Head Office: Off the Tema - Aflao Road, Tema

Digital Address: GK-0208-2247

AREA OFFICES

1. AKOSOMBO AREA
P.O. Box 77
Akosombo
akosomboarea@gridcogh.com
(+233) (0)34-3020456

2. TEMA AREA
P.O. Box CO 8289
Tema
voltaarea@gridcogh.com
(+233) (0)289675451 / (0)289557197

3. TAKORADI AREA
P.O. Box EF 226
Takoradi
takoradiarea@gridcogh.com
(+233) (0) 31-2292201

4. PRESTEA AREA
P.O. Box 50
Prestea
presteaarea@gridcogh.com
(+233) (0) 50 3343672 / (0)33 4367220

5. KUMASI AREA
P.O. Box KS 587
Kumasi
(+233) (0)32-2190003 / (0)24-6408885

6. TECHIMAN AREA
P.O. Box 369
Techiman
techimanarea@gridcogh.com
(+233) (0) 35 2091352

7. TAMALE AREA
P.O. Box TM 1266
Tamale
tamalearea@gridcogh.com
(+233) (0)37-20-24432 / (0)37-20-22236 / (0)3720- 22513

8. BOLGATANGA AREA
P.O. Box BG 633
Bolgatanga
bolgatangaarea@gridcogh.com
(+233) (0)38 209 6552

9. ACCRA AREA
P.O. Box CO 8289
Tema
accraarea@gridcogh.com
(+233) (0)289675451 / (0)289557197

CONTENTS

Notice and Agenda of The 10th Annual General Meeting Of Ghana Grid Company Limited

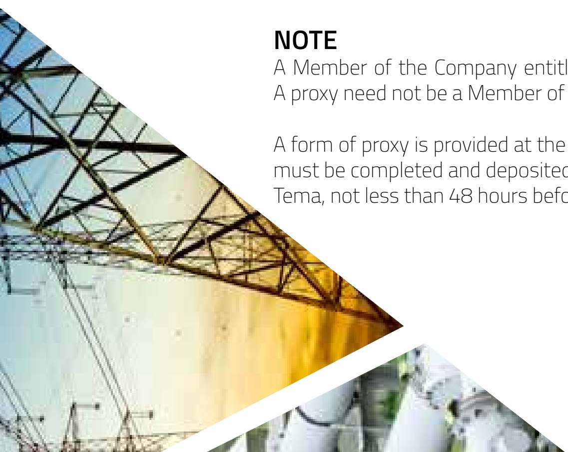
NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of Ghana Grid Company Limited (GRIDCo) will be held at Holiday Inn, Accra on November 28, 2019 at 10.00a.m. to transact the following business:

1. To receive and consider the Financial Statements for the year ended December 31, 2018, together with the Reports of the Directors and Auditors thereon;

2. To authorize Directors to appoint auditors to audit the 2019 Financial Statements and to fix the remuneration of Auditors.

DATED IN TEMA THIS 5TH DAY OF NOVEMBER, 2019.
BY ORDER OF THE BOARD

MONICA N. A. SENANU (MRS.)
BOARD SECRETARY



NOTE
A Member of the Company entitled to attend and vote may 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 provided at the end of this Annual Report. 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, Off Tema-Aflao Highway (N1), P. O. Box CS 7979, Tema, not less than 48 hours before the appointed time of the meeting.

Corporate Information

Board of Directors

Ambassador Kabral Blay-Amihere	Chairman
Mr. Jonathan Amoako-Baah	Chief Executive
Madam Dzifa Amegashie	Member
Mr. Kenneth Kwamina Thompson	Member
Dr. Nicholas Kwabena Smart-Yeboah	Member
Air Vice Marshall Issifu Sakib Kadri	Member
Hon. Naana Eyiah	Member
Nana Kofi Nti	Member
Mr. Frederick Fredua Antoh	Member

Secretary Mrs. Monica N. A. Senanu

Registered Office
Ghana Grid Company Limited
GK-0208-2247
P.O. Box CS 7979
Off the Tema-Aflao Road
Near Tema Steel Works
Tema

Auditor
PricewaterhouseCoopers (Chartered Accountants)
No. 12 Airport City Una Home 3rd Floor PMB CT 42
Cantonments, Accra

Vision

To be the model electricity grid Company.

Mission

We provide a reliable grid for development.

Goal

To achieve 99.99% reliability on the National Transmission System with fully automated, integrated and paperless business processes by year 2019.

Core Values - (RISE & Care)

Responsiveness

We attend to internal and external customer needs with focus, speed and skill and effectively engage our stakeholders.

Integrity

We adhere to moral and ethical principles, as well as non-discrimination and transparency in our service delivery.

Safety

We are committed to the highest safety standards and environmental practices.

Excellence

We strive to be outstanding in everything we do. We consistently create better ways of doing our work

Caring

We are committed to act with compassion in all situations, to listen with respect; to employees, customers and stakeholders and to value their differences.

GRIDCo At A Glance

GRIDCo was incorporated in December, 2006 to principally carry out the economic dispatching and transmission of electricity from facilities of wholesale suppliers to bulk customers and distribution utilities in Ghana and West Africa. GRIDCo has been licenced by the Energy Commission to exclusively operate the National Interconnected Transmission System (NITS) and has operated and maintained the NITS since operationalisation in August, 2008. GRIDCo was also mandated in 2013, to use the Company's assets to provide commercial telecommunication and related services with the excess capacity on its fibre optic network.

The Government of Ghana is the sole shareholder of GRIDCo and is represented by the Ministry of Finance and the Ministry of Energy in its dealings with GRIDCo.

GRIDCo transmits electricity to twenty seven (27) Bulk Customers and Distribution Utilities from nine (9) Wholesale Suppliers.

Operations

The Company's maintenance and operational activities are carried out on about 5,965.83 circuit kilometres of high voltage transmission lines across the country, which are mainly operated at 161 kV. The other transmission voltages are 69 kV, 225 kV and 330 kV. The transmission lines carry power from various generating stations to sixty-four (64) substations owned by GRIDCo.

GRIDCo's main assets include substations and related equipment, transmission towers and lines, system communication equipment, lands, buildings and miscellaneous assets.

Departments

GRIDCo has twelve (12) Departments which are structured to ensure that corporate goals and objectives are accomplished in a cost effective and an environmentally-sustainable manner. These Departments are:

- Corporate Planning
- Engineering Projects
- Engineering Planning and Design
- Finance
- GRIDTel
- Human Resources & Services
- Internal Audit
- Legal Services and Board Secretariat
- Technical Services
- Northern Network Services
- Southern Network Services
- System Operations

Operational Areas

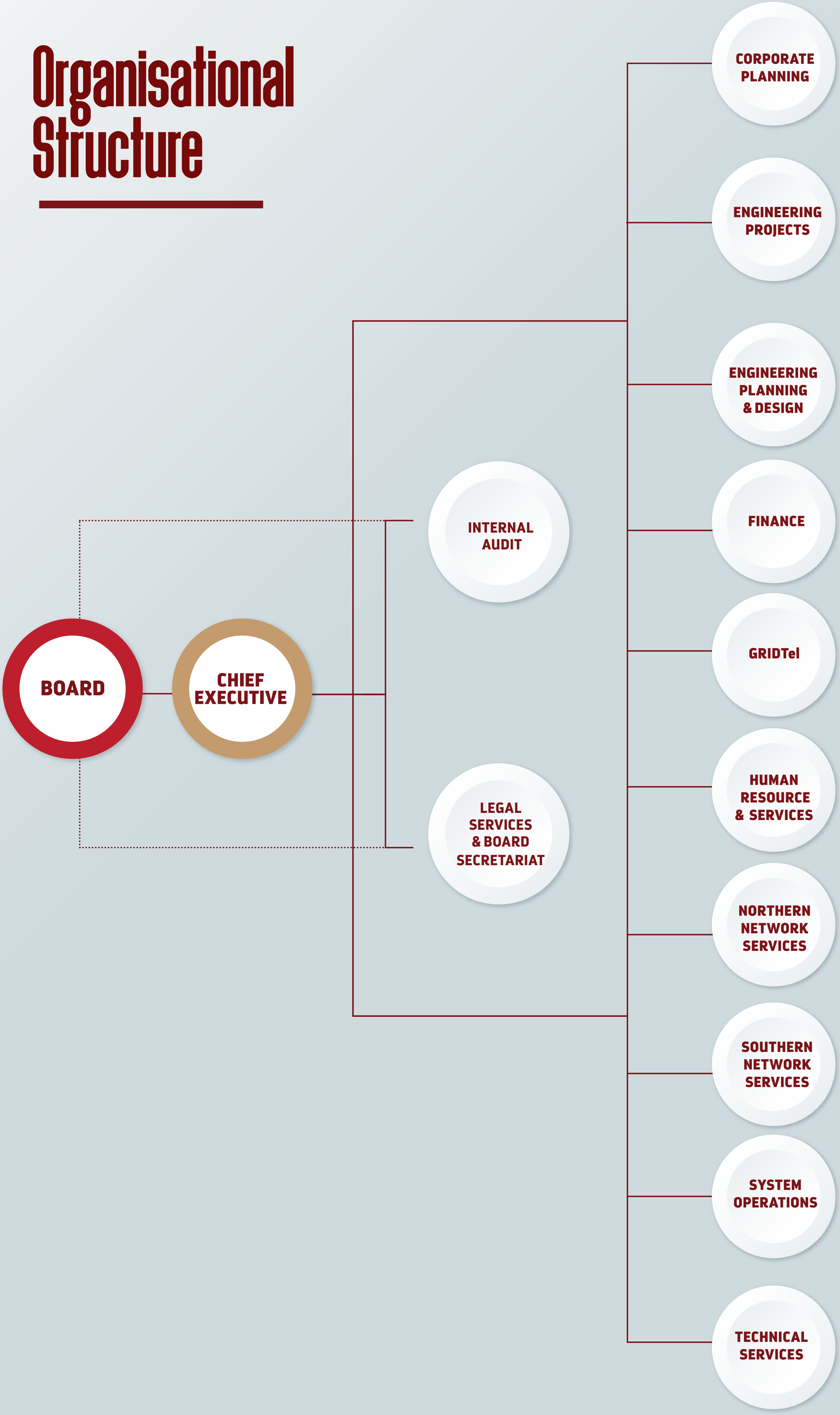
The Company maintains and operates the National Interconnected Transmission System (NITS) through the Southern Network Services and the Northern Network Services Departments, which are further divided into the following nine (9) Operational Areas. The Southern Network Services Department Areas are Akosombo, Tema, Accra, Takoradi and Prestea Areas and the Northern Network Services Department Areas are Kumasi, Techiman, Tamale and Bolgatanga Areas.

Regulators

GRIDCo's Regulators include:

- Public Utilities Regulatory Commission (PURC)
- Energy Commission (EC)
- State Enterprises Commission (SEC)
- Environmental Protection Agency (EPA)
- Ghana Revenue Authority (GRA)

Organisational Structure



Board of Directors

Amb. Kabral Blay-Amihere
Chairman

Mr. Jonathan Amoako-Baah
Chief Executive

Nana Akyereako Adjabinti I
(Nana Kofi Nti) - **Member**

Madam Dzifa Amegashie
Member

Mr. Frederick Fredua Antoh
Member

Hon. Naana Eyiah
Member

Air Vice Marshal Issifu
Sakib Kadri (Rtd) - **Member**

Dr. Nicholas Smart-Yeboah
Member

Mr. Kenneth Kwamina
Thompson - **Member**

Board Chairman's Report

Board Chairman's Report

Amb. Kabral Blay-Amihere
BOARD CHAIRMAN

Dear Shareholder, Distinguished Ladies and Gentlemen, on behalf of the Board, I welcome you to GRIDCo's 10th Annual General Meeting and present to you, a summary of strategic initiatives pursued in the 2018 financial year.

Last year, 2018, marked ten (10) years since the operationalisation of GRIDCo. It was a period of earnest consideration of the achievements of GRIDCo and challenges which had been surmounted. Since its inception, GRIDCo's achievements include the implementation of the Tumu Han Wa Transmission Project and the Accra 3rd Bulk Supply Point Project, which significantly improved reliability of electricity supply to the northern parts of the country and the Greater Accra Region . A new state-of-the-art System Control Centre was commissioned in 2013, to improve Supervisory Control and Data Acquisition (SCADA) for the dispatch of generating units. The Company also pursued the implementation of a robust telecommunication network in accordance with a Master Plan structured to enhance diversification into the telecommunications market. The achievements and events in the past ten (10) years have fortified our resolve to adopt more cutting-edge strategies to ensure business sustainability.

FINANCIAL OPERATIONS

In 2018, our central interests included the financial and technical sustainability of GRIDCo in a financially volatile environment. The Board directed its focus on policies which will ensure judicious use of various limited resources.

The year 2018 recorded a 16.67% increase in power transmitted, that is, 15.96 TWh, compared to 13.68 TWh of power transmitted in 2017. This notwithstanding, the Company recorded a Net Loss of GHC114.3 million, representing a 268% rise in the loss of GHC31.1 million recorded in 2017. The increase in the Net Loss was a result of a dramatic decrease in transmission revenue from GHC 715.2 million in 2017 to GHC 490.2 million in 2018, owing to an almost 50% decrease in Transmission Service Charge, which became effective 15 March 2018.

HUMAN RESOURCES AND SERVICES OPERATIONS

Manpower Audit

In order to enhance operational efficiency of staff, the Board commissioned a Manpower Audit of the Company. The Manpower Audit will enable an accurate assessment of activities which will ensure that our organizational objectives, company policies and legal requirements are met according to accepted practices and professional standards as well as to ensure that staff roles and requirements lead to productivity.

Management Staff

The Board approved the appointment of five (5) new Management staff to head key engineering and technical positions in the Company. The new staff replaced Heads of Departments who retired in 2018. The positions filled were in the following Departments: Northern Network Services Department, Southern Network Services, Engineering Planning & Design Department, Engineering Projects and Technical Services Department.

Performance Management & Employee Performance Management System (EMPS)

The Board continued to drive up efficiency levels through the implementation of an Employee Performance Management System (EMPS). The development of a three-tier System meant to replace an existing system and provide a more effective performance management process, was underway. Effective monitoring guidelines had been developed to bridge gaps identified in the development and implementation processes in the Corporate and Departmental Scorecards. We continued the development of an Individual Scorecard Performance Management System Policy document.

TELECOMMUNICATION SERVICES

During the period under review, the GRIDTel Business Unit made some impressive strides. GRIDCo was granted a Licence by National Communications Authority to operate the National Terrestrial Fibre Network. The Licence permits GRIDCo to build, operate and maintain a nationwide terrestrial fibre optic cable network infrastructure on land and through terrestrial water bodies in Ghana. Comsys Ghana Limited also signed on as GRIDCo's third Indefeasible Right of Use (IRU) Fibre Network customer in addition to existing customers, namely Vodafone and MTN.

ENTERPRISE RISK MANAGEMENT

We continued to emphasize the prioritization of risk management. There was a noteworthy improvement in risk-awareness by staff and partners of GRIDCo in 2018. The rate of identification and timely reporting of risks and incidents increased and risk management strategies were also implemented.

OUTLOOK

Currently, GRIDCo is operating in a financially challenging environment, but we hope that with the appropriate interventions, the future of GRIDCo will be secure. GRIDCo is pivotal in the development of Ghana's economy and as such, the Company requires an immense financial injection to ensure excellent operations and a reliable grid for improved livelihood and businesses.

We depend on the continued support of our Shareholder, as we honour our obligations to financing partners.

In the near future, we look forward to strengthening our relationships with stakeholders, to approved cost-reflective tariffs by the PURC, and a reduction in the level of indebtedness from major customers.

CONCLUSION

GRIDCo continues to live out its mandate as the exclusive operator of the NITS. The Board has guided Management to build a robust transmission system in Ghana, built strong collaborations with national and international stakeholders and sustained itself through financially challenging times. Management, staff and our Customers must be rest assured that the Board will remain resolute in ensuring a robust, reliable and safe grid.

We extend maximum appreciation to our Shareholder, the Government of Ghana for continuously supporting GRIDCo, particularly, whilst we address our financial challenges as a Company. We are also grateful to the Board and Management staff who have steered the affairs of GRIDCo from inception till its 10th Anniversary.

Amb. Kabral Blay-Amihere
BOARD CHAIRMAN

The Company also pursued the implementation of a robust telecommunication network in accordance with a Master Plan structured to enhance diversification into the telecommunications market.

Report of the Directors

The directors submit their report together with the audited financial statements of Ghana Grid Company Limited ("the Company") for the year ended 31 December 2018, which disclose the state of affairs of the Company.

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 1963 (Act 179).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

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 for at least twelve months from the date of this statement.

Principal activities

The principal activity of the Company is the transmission of electricity and commercial telecommunication services.

Results

The directors in submitting to the shareholders the financial statements of the Company for the year ended 31 December 2018 report as follows:

	GH¢'000
Loss before income tax for the year is	(156,776)
to which is added income tax credit of	42,482
giving a loss for the year of	(114,294)
to which is added restated income surplus account balance brought forward of	454,885
giving a balance of	340,591
to which is added transfer from revaluation reserve account of	2,709
leaving a surplus carried forward on income surplus account of	343,300

Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 2018 (2017: GH¢ Nil).

Board of directors

The directors who held office during the year ended 31 December 2018 were:

Period 30 August 2017 to 31 December 2018

Ambassador Kabral Blay-Amihere	Chairman
Mr. Jonathan Amoako-Baah	Chief Executive
Madam Dzifa Amegashie	Member
Mr. Kenneth Kwamina Thompson	Member
Dr. Nicholas Kwabena Smart-Yeboah	Member
Air Vice Marshall Issifu Sakib Kadri	Member
Hon. Naana Eyiah	Member
Nana Kofi Nti	Member
Mr. Frederick Fredua Antoh	Member

Auditor

The Company's auditor, PricewaterhouseCoopers, has expressed willingness to continue in office in accordance with section 134(5) of the Companies Act, 1963 (Act 179).

By order of the board:

Ambassador Kabral Blay-Amihere
Board Chairman

Mr. Jonathan Amoako-Baah
Chief Executive

Date: October 29, 2019

Management Staff

Mr. Jonathan Amoako-Baah
Chief Executive

Mr. Daniel Amartey
Director, Southern Network Services

Mr. Vincent Boachie
Director, Northern Network Services

Mr. Mark A. Baah
Director, System Operations

Mr. Benjamin Ntsin
Director, Engineering Planning and Design

Mr. Ebenezer Essienyi
Director, Technical Services

Mr. John Owusu - Afriyie
Director, Engineering Projects

Wg. Cdr. (Rtd.) Samuel Allotey
Director, Human Resource and Services

Mr. Isaac K. Akesseh
Director, Finance

Mr. Kofi Okofo Dartey
Director, Corporate Planning

Mrs. Monica N. A. Senanu
Company Solicitor / Board Secretary

Mr. Richard Ntim
Chief Internal Auditor

Mr. George Nipah
General Manager , GRIDTel

Chief Executive's Report

Chief Executive's Report

Jonathan Amoako-Baah
CHIEF EXECUTIVE

Dear Shareholder, Chairman and members of the GRIDCo Board, distinguished ladies and gentlemen, on behalf of Management and staff of GRIDCo, I present to you a report on the state of GRIDCo's operations as at 31 December 2018.

FINANCIAL PERFORMANCE AND TARIFF

The operations of GRIDCo were influenced greatly by the financial situation which prevailed in 2018. There was a 50% reduction in the approved tariff for transmission services, compared to the prevailing tariff in 2017. The Transmission Service Charge (TSC) was a major determinant of our financial performance. In 2018, two (2) tariff proposals were submitted to the Public Utilities Regulatory Commission (PURC) by GRIDCo. The February 2018 tariff proposal resulted in the reduction of the Transmission Service Charge (TSC) from 5.004Gp/kWh to 2.1507Gp/kWh, which took effect on 15 March 2018.

This reduction eventually led to a decrease in the 2018 revenue resulting in a recorded loss of GHC114.3million, which represents a 268% increase in the loss of GHC31.1 million recorded in 2017. The second tariff proposal submitted in December 2018 was yet to be considered by the PURC as at the close of the year.

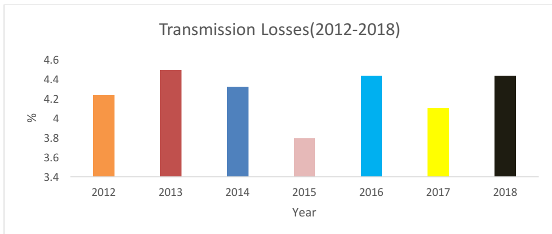
As a result of the reduction in revenue, and the loss recorded, improvements to the transmission infrastructure were significantly scaled down. It is therefore imperative that there be an appropriate injection of capital in order to maintain high operational standards.

POWER TRANSMISSION

In 2018, a total of 15.96TWh of energy was transmitted on the transmission network. This represents a 11.53% growth over the 2017 figure of 14.31TWh. Out of this 2018 figure, 14.50TWh was consumed locally, representing an 8.70% increase over the 2017 figure of 13.34TWh. With respects to imports, the total energy imported was 0.14TWh, whilst the total energy exported to SONABEL (Burkina Faso), CEB (Togo/Benin) and CIE (La Cote d'Ivoire) was 0.74TWh.

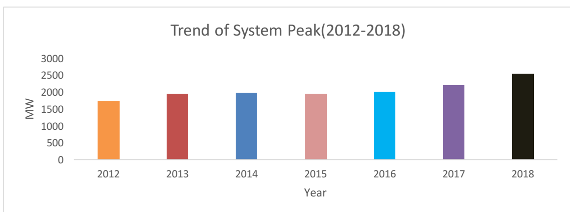
Transmission losses

In 2018, a transmission loss of 0.71TWh was recorded. This represented 4.43% of the total energy transmitted and 20.34% higher than the 2017 recorded loss of 0.59TWh.



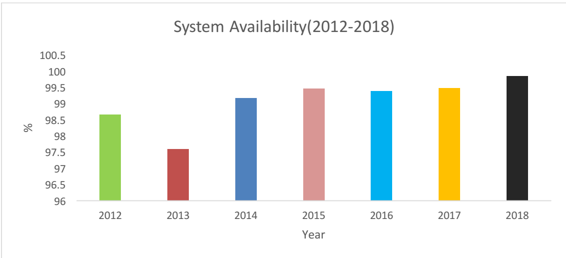
System Peak

A peak demand of 2,525MW was attained on 12 December 2018, compared to 2192.15MW on 13 November 2017, which represented a 15.18% increase in the peak demand.



System Availability

An average system availability of 99.48% was recorded for 2018. This was the same as the average system availability recorded in 2017. On the other hand, the average feeder availability for the year under review was 99.85% compared to 99.84% recorded in 2017.



SYSTEM MAINTENANCE

Network Performance and Reliability

In 2018, new equipment was added to the NITS to ensure adherence to required standards. Among other activities, the following substations were commissioned: 330 kV Kumasi; 330 kV Kintampo; 330kV/225kV/161 kV Nayagnia; 161 kV Accra Central and the 161 kV Afienya Substations.

Computerised Maintenance Management System (CMMS)

Management pursued the implementation of a Computerised Maintenance Management System (CMMS), which when fully implemented, would ensure comprehensive support in asset maintenance, spare parts management and facilitate the maintenance of an inventory of all transmission assets.

OCCUPATIONAL HEALTH AND SAFETY

The nature of our business requires a high level of safety consciousness. We conducted periodic safety audits and training in all operational and non-operational Areas. Fire detection and suppression systems were procured and to buttress its resolve to inculcate safety consciousness among staff of the Company, Management ensured that a number of presentations were made to staff on safety awareness. The Company engaged the services of a consultant to conduct a gap audit for ISO 45001, which is a Safety Management System.

PROJECTS

As a result of the dire financial constraints faced by the Company in 2018, we were unable to commence any major transmission projects. Despite this, we managed to complete some key projects, and continued some ongoing projects. The key projects completed include:

1) Reinforcement of Power Supply to Accra Central Project
2) 225 kV Bolgatanga-Ouagadougou Interconnection Project.
3) 330 kV Prestea - Kumasi Power Enhancement Project

The Accra Central Project was undertaken to ensure reliable power supply to customers within the Central Business District of Accra.

The 225 kV Bolgatanga-Ouagadougou Interconnection Project was completed in June, 2018 and has facilitated the seamless export of power to Burkina Faso. Ghana is currently exporting averagely 60 MW to Burkina Faso.

The 330 kV Prestea-Kumasi Power Enhancement Project will facilitate the evacuation of bulk power from the proposed power plants located in the South-western part of Ghana to the Mid and Northern parts of the country. It will also improve overall network reliability and facilitate the export of power to the Sahelian Regions. The completion of the 330 kV Kumasi-Bolgatanga and 330 kV Aboadze - Prestea Transmission Line Projects, which are aligned to the 330 kV Prestea-Kumasi Power Enhancement Project, will enable the supply of more than 100 MW to Burkina Faso.

INDUSTRIAL RELATIONS, TRAINING & DEVELOPMENT

In 2018, Management continued to foster cordial employee relations, aimed at achieving the Company's strategic objectives. GRIDCo's staff strength as at 31 December 2018 was nine hundred and seventeen (917). During the year in question, forty five (45) staff members separated from the Company through

dismissal, retirement, resignation or as a result of death. Eight (8) recruitments were made in 2018.

Management is striving to fill gaps in training and measure the effectiveness of training to ensure that personnel are trained in accordance with the needs of the Company. In that regard, a newly-created Technical Training Section coordinated and delivered a ten-(10) day in-house training sessions for thirty-six (36) Technician Engineers. Facilitators for the training programme were subject matter experts from GRIDCo. A total of one hundred and eighteen (118) other GRIDCo staff attended various training programs, and an additional thirty (30) staff members attended conferences within the period under review

Thirty-two (32) employees from GRIDCo participated in the ANCEE-APUA Scholarship training program in Nigeria. Under the auspices of Association of Power Utilities of Africa (APUA), supported by the African Development Fund of the African Development Bank Group, and the Agence Francaise de Developpement (AFD), the African Network of Centers of Excellence in Electricity (ANCEE) was created to manage its professional training program to improve the skills of the staff of member utilities.

In August 2018, GRIDCo organized activities to mark the 10th Anniversary of the Company's operationalization. The activities included a staff Durbar, Safety Competition, Thanksgiving Service and a Long Service Awards Night. Past Directors and Board members were honoured for their invaluable services to GRIDCo, as part of the commemorative activities of the celebrations.

OUTLOOK FOR 2019

Due to GRIDCo's continuing financial challenges, quite a number of projects could not be undertaken. A number of issues relating to the Company's financial challenges affected the usual operations of GRIDCo and continue to affect the company.

A major issue which is being addressed is the suspension of loan disbursements by Agence Francaise Developpement (AFD). Contractors invoices due for payment by AFD for the 330 kV Kumasi-Bolgatanga Transmission Line Project were put on hold by AFD, after GRIDCo breached some financial covenants with AFD. This led to the accrual of interest on delayed payments, claims for idle time and resources from Contractors and project duration overruns.

Additionally, some projects, especially the transmission lines projects, suffered delays due to Right-of-Way (RoW) acquisition payment issues and agitations by Project Affected Persons (PAPs) resulting from delays in compensation payments. This has negatively affected projects implementation, leading to claims for idle time and project duration overruns.

Various changes have been made to restructure Departments to ensure productivity. To enable efficient supervision of maintenance activities, the Volta Area, located in Tema, was subdivided into the Accra Area and the Tema Area. The Bolgatanga Area was also created to ensure efficient maintenance and operational activities in the northern part of the country.

We firmly believe that 2019 will be a better year. We anticipate the commencement of important and major projects as well as the conclusion of most of our current projects. In the very near future, more opportunities will be exploited towards enhancing our service delivery and revenue diversification.

CONCLUSION

I express my profound gratitude to the Board, the Shareholder, colleague Management Staff, Staff, Financiers and Customers and all stakeholders for their immense contributions to the achievement of GRIDCo's goals in 2018. We look forward to your continued support and enhanced partnership.

Jonathan Amoako-Baah
CHIEF EXECUTIVE

Corporate Governance

GRIDCo is a Private Limited Company set up to ensure impartial transmission of electricity to Bulk Customers in Ghana. The critical role of GRIDCo in the supply chain for electricity in Ghana requires an effective corporate governance structure. The governance structure of GRIDCo is built around key principles, including accountability, transparency and security. The activities undertaken to ensure the implementation of these principles will safeguard the interests of stakeholders including shareholder (Government of Ghana), financiers, employees, customers, suppliers, communities and regulators.

Accountability is ensured through various means, including compliance with various legislation, rules and regulatory requirements. GRIDCo is governed in accordance with the Companies Act, 1963 (Act 179), Public Financial Management Act, 2016 (Act 921), Energy Commission Act, 1997 (Act 541), GRIDCo's internal Policies and Procedures and Code of Ethics and Conduct and the Board's Charter, amongst others. These laws and rules ensure that the rights and interests of stakeholders are balanced and protected.

The Government of Ghana is the only shareholder of GRIDCo and is represented by the Ministry of Finance and the Ministry of Energy in its dealings with GRIDCo. In its bid to ensure value creation and protection, the Government constituted the current Board of eight (8) independent non–executive Directors and one executive Director, who is the Chief Executive, and a Board Secretary. The independence of the Board and the skills representation on the Board ensure objective and balanced-decision making. The Board, in ensuring that effective corporate strategies are set and implemented in the Company, fairly aligns all competing corporate and stakeholder interests and minimizes associated risks.

Over the past ten (10) years, the Board of Directors have regularly communicated the state of the Shareholder's investment at Annual General Meetings, and at various times of each financial year. The Board has also ensured that information on the state of the NITS and the electricity supply situations, amongst others, are clearly and regularly communicated to stakeholders, including regulators.

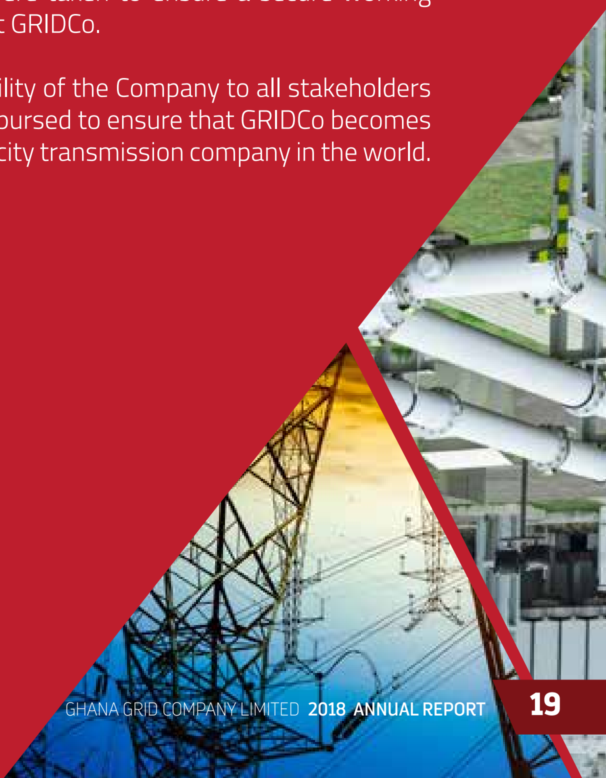
The Board set policies, made decisions and evaluated the performance, profitability and sustainability of the Company, principally through its meetings. In 2018, the Board held four (4) Ordinary meetings, which were organized subsequent to the consideration of matters by Board Committees, namely the Finance, GRIDTel, Industrial Relations & Compensation, Audit, Engineering and Operations Committees. The chairpersons of the various Committees guided members to be responsive to the present and future needs of the organization, whilst taking into account the need to maximize the returns of the Shareholder.

Decisions and recommendations made by the Board were implemented by a twelve (12) member Management Staff who ensure the effective day-to-day running of the Company. These staff ensure that the daily activities of the Company were carried out in a fair, transparent, responsible, accountable manner and in strict compliance with relevant legislation and the tone set by the Board. Various contracts with third parties were executed within a framework which ensured adherence with legislation and policies.

GRIDCo's independent external auditors, PwC ensured that the interests of the Shareholder were protected and ensured an accurate reporting of the state of GRIDCo's finances. The Auditor's report helped the Shareholder including investors, regulators and employees to have a broad view of the organization's internal and external working mechanisms and future outlook. GRIDCo's Internal Audit Department also assisted the Board directly in the management of risk and in the control and governance process.

The Company continued to institute and implement effective corporate governance measures in 2018. The need to ensure security of data and access to the company's business and assets became a key goal for the Board. The trust of stakeholders was upheld whilst steps were taken to ensure a secure working environment at GRIDCo.

The accountability of the Company to all stakeholders was earnestly pursed to ensure that GRIDCo becomes a model electricity transmission company in the world.



Corporate Social Responsibility

In line with GRIDCo's mission to provide a reliable grid for national development, we acknowledge the fact that our business operates in an interrelated society and impacts on our stakeholders and the society at large. GRIDCo's aim therefore is to be a good corporate organization, while meeting the long-term energy needs of customers in a safe, reliable, affordable and sustainable environment.

GRIDCo Corporate Social Responsibility (CSR) covers three (3) main areas, namely education, health and environment & community development. Key CSR activities undertaken during the year 2018 included the following;

Health

GRIDCo supported Komfo Anokye Teaching Hospital to procure Oxygen Concentrators worth Eighteen Thousand Ghana Cedis (GHS18,000.00) in support of the Endowment Fund to raise funds to purchase equipment and tools to improve health delivery in the Hospital. The Oxygen Concentrators are critical equipment which provide supplementary oxygen for patients with various serious medical conditions. They also provide long-term oxygen therapy to patients.

Education and Community Development

GRIDCo also assisted the College of Engineering, Kwame Nkrumah University of Science and Technology (KNUST) to preserve existing and newly procured laboratory equipment by co-sponsoring the re-roofing of their laboratory at a cost of Fifty Thousand Ghana (GHS50,000.00)

In 2016, GRIDCo adopted Ms. Fatima Mustapha from the SOS Children's Village in Tamale, and has sponsored her education to the tertiary level, at Kwame Nkrumah University of Science and Technology. In 2018, GRIDCo paid school fees of an amount of Fourteen Thousand and Forty-Eight Ghana Cedis, Fifty Pesewas (GHS14,048.50) for Ms. Fatima Mustapha for Medical School.

As part of the CSR, Management supported GRIDCo's 2017/2018 National Service Personnel with an amount of Five Thousand Ghana Cedis (GHS5,000.00) for the provision of a borehole and educational materials to Sumbrungo–Zooribisi, a village in the Bongo District of the Upper East Region of Ghana.

Stakeholder Engagements

As part of its resolve to develop and maintain a cordial relationship with opinion leaders in its operational communities, GRIDCo donated Twenty Thousand Ghana Cedis (GHS20,000.00) to the Kpone Traditional Council towards the organisation of the 2018 Homowo celebrations, which was held from August 3 to September 9, 2018.

Further, in our efforts to appreciate various Security Forces of Ghana for effective collaborative activities, the Company donated a total amount of Ten Thousand Ghana Cedis (GHS10,000.00) to five different Military Units (5 Infantry Battalion, 2 Infantry Battalion, 1 Infantry, Armed Forces Central Band and 66 Artillery Regiment) in support of their End of Year West Africa Soldiers Social Activity (WASSA).

GRIDCo also assisted the Ghana Police Academy in organising their 48th Graduation of Trained Cadet Officers.

Operational Report

Operational Report

SYSTEM MAINTENANCE

Telemetry & Billing System

In 2018, GRIDCo continued to enhance the Transmission Service Charge (TSC) billing system and to migrate more customers onto a state-of-the art telemetry system which was installed with the aim of developing a more robust and efficient billing system. Hardware systems, communication modem and a billing software have been installed over the period of operation to automate the billing processes.

Protection Coordination Analysis

As part of the review of the protection schemes and systems implemented on the NITS, various protection analyses were conducted on the transmission system and schemes and settings were implemented to enhance the reliability of the grid.

Technical Audit of Transmission Network Facilities

Technical Audits and inspections of power system equipment were carried out periodically within the year at all installations. The overall conditions of equipment were found to be good, during the audits. Appropriate attention was given to the control of vegetation within the Right-of-Way (ROW) of the transmission corridors.

TELECOMMUNICATION SERVICES - GRIDTel

SCADA

As part of measures to safeguard the security of the SCADA Network Manager System and to improve its performance and reliability, a number of Remote Terminal Units (RTU) were commissioned and maintained. Importantly, Nayagnia, Dawa, Kintampo 330 kV, Amandi Gas Insulated Substation (GIS) and Accra Central substations were successfully connected to the SCADA system.

Status of Communication Networks

In 2018, all communication networks (Fibre Network, Power Line Carrier (PLC), SCADA and Telephony networks) functioned smoothly. It is noteworthy that, the fibre network was generally in good condition. The 330 kV Kintampo substation SCADA Gateway (RTAC) was successfully connected and tested through the SCADA backup communications channel to the SCADA Server at the System Control Center.

Arrangements to gradually migrate GRIDCo's aged telephony services to IP telephony were pursued, to improve reliability in a cost-effective and flexible manner.

SYSTEM MEASURANDS PUBLISHER (SMP)

During the year under review, continuous improvements were implemented on the System Measurands Publisher (SMP), a real-time monitoring tool, launched in 2014 to assist in the provision of information on the NITS. Continuous improvements were implemented on the system including the development of a web version of the SMP System. Information on the Nayagnia (Ghana) – Zagtouli (Burkina) 225 kV transmission line was also added to the SMP platform.

Engineering Projects

COMPLETED PROJECTS

1) 225 kV BOLGATANGA-OUAGADOUGOU INTERCONNECTION PROJECT

Financiers: World Bank (330/22kV Substation) & AFD (225kV Transmission Line).

Contractor: Sieyuan SEPD JV (330/22 kV Substation) & Eiffage (225 kV Transmission Line).

Project Cost: USD 12,806,475.91 and GHS 923,710.18 (330/22 kV Substation) & USD 829,280.70, EUR 398,395.92 and GHS 1,510,221.00 (330/225kV Transmission Line).

Project Brief: The Bolgatanga (Ghana)-Ouagadougou (Burkina Faso) Interconnection Project forms part of the WAPP Inter-Zonal Transmission Hub Project which sought to improve security of electricity supply to Burkina Faso and increase power supply from Ghana.

The 225 kV Bolgatanga-Ouagadougou Interconnection Project was implemented jointly in Ghana and Burkina Faso by the Ghana Grid Company Limited (GRIDCo) in Ghana and SONABEL in Burkina Faso. The Ghana section of the Project, included the construction of a 330/225 kV Bolgatanga II Substation and an 18 km 225 kV transmission line from the Bolgatanga II Substation to the Ghana-Burkina Faso Border.

The Substation and transmission line works were completed and commissioned on 28 June, 2018, and are delivering power to Burkina Faso.

---

2) AFIENYA SUBSTATION PROJECT

Financier: IbisTek Limited

Contractor: IbisTek Limited

Project Cost: US$8,879,669.51

Project Brief: The Afienya Substation Project sought to provide reliable power supply to Electricity Company of Ghana (ECG) to serve Afienya and its environs. It involved the construction of a 161/34.5 kV Substation at Afienya and construction of approximately 5km double circuit 161kV transmission line, as a break-in on the existing 161 kV double circuit Akosombo - Volta transmission Lines to the new substation. The project was commissioned on 7 May, 2018.

3) 330kV PRESTEA-KUMASI POWER ENHANCEMENT PROJECT

Financier: Korea Exim Bank

Contractor: GS Engineering & Construction (GS E & C) of Korea

Project Cost: US$61,959,712.00

Project Brief: The Project involved the construction of a twin bundle 330 kV transmission line from Prestea to Kumasi and a new 330 kV Substation at Kumasi. The Prestea-Kumasi transmission line, together with the Aboadze - Prestea Line and Kumasi - Bolgatanga Line, forms part of the Central Backbone of the National Interconnected Transmission System (NITS), required to improve the reliability and also facilitate the export of power to the Sahelian Regions. It will also facilitate evacuation of bulk power from the proposed power plants located in the South - Western part of Ghana to the mid and northern parts of the country. The line was energized in December, 2018.

4) REINFORCEMENT OF POWER SUPPLY TO ACCRA CENTRAL PROJECT

Financier: Japan International Cooperation Agency (JICA)

Contractor: Consortium of Mitsubishi Corporation Ltd, Hitachi Plant Construction Ltd and Yurtec Corporation Ltd.

Project Cost: ¥4,029,365.290 Billion JPY (Approx. US$39 Million)

Project Brief: The Project will improve reliability of power supply to customers in Accra Central, in line with projected high annual growth rates from 2009 to 2020, and develop power transmission and distribution infrastructure at the Central Business District of Accra. The project comprised the construction of a 161/34.5 kV Gas Insulated Substation equipped with 3No. 125 MVA power transformers and 2No. 161 kV transmission line bays and the construction of a 4km 161 kV twin bundle double circuit transmission line from Avenor to ECG's Substation 'E'. The new Line is to interface with the existing 161 kV Achimota – Mallam double circuit transmission line by breaking into one of the circuits.

The Project was commissioned in December 2018**.**

.

5) 34.5kV AND 11.5 kV SWITCHGEAR UPGRADE PROJECT

Financier: Bank of Africa / GRIDCo

Contractor: Schneider Electric and Atlantic International Holding Company Ltd.

Project Cost: €11, 446, 845

Project Brief: The Project sought to upgrade obsolete Medium Voltage metal clad switchgear in the NEDCo operational areas mainly, Sunyani, Techiman, Tamale and Bolgatanga Substations, which have been in service for about twenty (20) years. This was to improve the reliability of power supply since, replacement of faulty components of the existing switchgear were virtually impossible to procure. The works were completed in October 2018.

6) PROJECT MANAGEMENT ENGINEERING AND CONSTRUCTION SUPERVISION CONSULTANCY SERVICES 225 kV BOLGATANGA-OUAGADOUGOU AND 330kV KUMASI-BOLGATANGA TRANSMISSION LINE PROJECTS

Financier: EU Grant

Contractors: AECOM & WSP/PB

Project Cost: GBP 2,505,763.93 + USD 1,221,434.67 (exclusive of local taxes)

Project Brief: TThe Consultant for the 225 kV Bolgatanga-Ouagadougou Interconnection Project, AECOM-Canada, has completed the assignment under the Contract. The Project sought to establish a 225 kV transmission line interconnection between Ghana and Burkina Faso for the export of power to Burkina Faso.

The Consultant WSP/PB, UK continued its assignment with the Works supervision under the 330kV Kumasi-Bolgatanga Transmission Line Project. The 330 kV Reinforcement Project from Kumasi-Bolgatanga will form part of the WAPP inter-zonal Hub and will reinforce the NITS to ensure the export of at least 100 MW of power to Burkina Faso and enable power supply to the Sahelian Region.

7) SUPPLY IMPROVEMENT TO BEREKUM PROJECT

Financier: Cal Bank / GRIDCo

Contractor: Skipper Electricals Ghana Ltd.

Project Cost: US$16,863,405 and GHC9,840,259

Project Brief: This Project sought to improve the quality of power supply to Berekum, Dormaa Ahenkro, Sampa and all the localities that are served from the existing 34.5 kV Berekum Substation.

The project was completed in the first quarter of 2019.

8) SUPPLY IMPROVEMENT TO WESTERN REGION

Financier: El Sewedy Electric T&D / GRIDCo

Contractor: El Sewedy Electric T&D

Project Cost: US$ 66,876,371.00

Project Brief: The Project involved the construction of a new 161/34.5 kV substation at Juabeso and upgrade of Asawinso Substation. It also involved the construction of approximately 170 km of 161 kV twin bundle transmission line from Asawinso to Mim through Juabeso with the termination of the line at the Juabeso and Mim Substations.

The Project was completed in the second quarter of 2019.

1) 330 kV KUMASI-BOLGATANGA TRANSMISSION PROJECT

Financier: French Development Agency (AFD)

Contractors: Various (KEC International, ELECNOR S. A., Eiffage Energies Transport & Distribution/ABB AG JV)..

Project Cost: US$ 164.7 million

Project Brief: TThe Project involves construction of approximately 551 km of a 330 kV transmission line from Kumasi to Bolgatanga and associated 330 kV Substation works in Kumasi, Kintampo, Tamale and Bolgatanga. The Project will reinforce Ghana's Transmission System to facilitate export of at least 100 MW of power to Burkina Faso and the Sahelian Region.

The Project was scheduled to be completed by July 31, 2018. However, the Project has delayed due to delays in payment of compensation and suspension of disbursements to the Contractor by the Financier, AFD.

The Project was scheduled to be completed in 2019.

2) 161 kV VOLTA–ACHIMOTA–MALLAM TRANSMISSION LINE UPGRADE PROJECT

Financier: French Development Agency (AFD).

Contractors: Sieyuan Sepco (Lot 1: Volta-Achimota Line) & Transrail Lighting Ltd. (Lot 2: Achimota-Mallam Line).

Project Cost: Lot 1: USD10,074,569.77 + GHS 1,207,366.18 and Lot 2: USD 3,122,520.00 + GHS 6,861,043.00

Project Brief: The Project involved re-construction of the existing 36km, 161 kV transmission lines from the Volta substation through Achimota to Mallam Substations, to enhance power transfer capacity to the major load centers of Accra and Tema, as well as reduction in excessive loading of the lines and the associated losses due to the increase in generation at Kpone Thermal Power Plant (KTPP), Karpower Barge, Cenpower, AKSA and Smelter II Substations. All the existing single circuits were to be upgraded into double circuit transmission lines equipped with twin bundle tern conductors.

The Contracts were awarded in two lots, namely; the Volta-Achimota Line section (Lot 1) and the Achimota-Mallam Line section (Lot 2). Both Contractors have however suspended works due to the non-payment of their invoices as a result of the suspension of disbursement by the AFD.

ENGINEERING PROJECTS (CONTINUED)
ONGOING PROJECTS (CONTINUED)

3) 330 kV ABOADZE – PRESTEA TRANSMISSION LINE PROJECT

Financier: Amandi Energy Solutions

Contractor: Amandi Energy Solutions Limited

Project Cost: US$ 26,994,110.00

Project Brief: The Project involves the construction of a 330 kV transmission line from Aboadze to Awodua in Prestea to facilitate the evacuation of power from the Aboadze power enclave.

The Project comprises construction of approximately 80km double circuit 330 kV Transmission Line from Aboadze to Awodua in Prestea. A substantial portion of the works has been completed and energisation is expected to be done in 2019.

4) 330 kV ABOADZE SUBSTATION EXPANSION PROJECT

Financier: Amandi Energy Solutions Limited

Contractor: Amandi Energy Solutions Limited

Project Cost: US$31,965,806.95

Project Brief: The Project involves expansion of the 330 kV substation equipped with six (6No.) diameters. It was expected to facilitate the termination of feeders from the switchyards of various Independent Power Producers (IPPs) in the Aboadze enclave to evacuate power into the National Interconnected Transmission Systems (NITS). The Project commenced in September 2017 and was expected to be completed in 24 months. All civil works including the control building were substantially completed.

5) 330 kV KARPOWERSHIP - ABOADZE TRANSMISSION LINE PROJECT- RELOCATION OF 450 MW KARPOWERSHIP TO THE NAVAL BASE SEKONDI HARBOUR

Financier: Karpowership

Contractor: Amandi Investment Limited

Project Cost: USD7, 980,760.00

The Project involves construction of approximately 11 km of double circuit 330kV overhead transmission line from the Sekondi Naval Base to the 330 kV Aboadze Substation to evacuate power from the KARPOWERSHIP (450MW Power Barge). The project commenced in July 2018 with a project duration of eight (8) months. Construction works had commenced. The Project delayed as a result of compensation issues. It is expected to be completed in 2019.

ENGINEERING PROJECTS (CONTINUED)
ONGOING PROJECTS (CONTINUED)

6) SUBSTATIONS RELIABILITY ENHANCEMENT PROJECT

Financier: Societe Generale of France

Contractor: Eiffage Energie

Project Cost: USD 38,504,362.40

Project Brief: The Project sought to upgrade and enhance the operational reliability of equipment at the Bulk Supply Points (BSPs), and also improve the flexibility in the operations of the power system and maintenance of power equipment. It involves replacement of obsolete equipment at 12 No. subsations namely; Achimota, Cape Coast, Winneba, Takoradi, Prestea, Obuasi, Kumasi, Akwatia, Aflao, Tafo, Dunkwa and Old Kpong Substations. The works had been completed in 8 substations except, Akwatia, Obuasi, Tafo and Prestea. The works at Akwatia and Obuasi were on hold, whilst Tafo and Prestea substations works were yet to start.


UBS

Bulk Customers and Wholesale Suppliers

GRIDCo currently transmits power to the under listed customers:

BULK CUSTOMERS

1. *Adamus Resources Limited*
2. *Akosombo Textiles Limited*
3. *Aluworks Limited*
4. *Anglogold Ashanti (Iduaprem) Limited*
5. *Anglogold Ashanti (Ghana) Limited*
6. *Asanko Gold Ghana Limited*
7. *La Communaute Electrique Du Benin (CEB)*
8. *Compagnie Energie Electrique Du Togo (CEET)*
9. *Diamond Cement Ghana Limited*
10. *Drillworx Ghana Limited*
11. *Power Distribution Services Ghana Limited*
12. *Enclave Power Company Limited*
13. *Ghana Water Company Limited*
14. *Golden Star (Bogoso/Prestea) Limited*
15. *Golden Star (Wassa) Limited*
16. *Gold Fields Ghana Limited*
17. *New Century Mines Limited*
18. *Newmont Ghana Gold Limited*
19. *Newmont Golden Ridge Limited*
20. *Northern Electricity Distribution Company Limited*
21. *Owere Mines*
22. *Perseus Mining (Ghana) Limited*
23. *Savanna Diamond Company Limited*
24. *Societe Beninoise D'energie Electrique (SBEE)*
25. *La Societe Nationale D'electricite Du Burkina*
26. *La Societe Nationale D'electricite Du Burkina/Youga Mine*
27. *Volta Aluminium Company Limited*

GRIDCo currently transmits power from the underlisted suppliers:

WHOLESALE SUPPLIERS

1. *Volta River Authority*
2. *Cenit Energy Limited*
3. *Sunon Asogli Power Plant*
4. *TICO*
5. *Bui Power Authority*
6. *Aksa Energy*
7. *Cenpower Generation Company*
8. *Ameri Power Plant*
9. *Karpowership Power Plant*

Audited Financial Statements

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Ghana Grid Company Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

What we have audited

We have audited the financial statements of Ghana Grid Company Limited (the "Company") for the year ended 31 December 2018.

The financial statements on pages 36 to 73 comprise:

- the income statement for the year ended 31 December 2018;
- the statement of comprehensive income for the year ended 31 December 2018;
- the statement of financial position as at 31 December 2018;
- the statement of changes in equity for the year ended 31 December 2018;
- the statement of cash flows for the year ended 31 December 2018; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 year. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revaluation of property, plant and equipment at GH¢4.55 billion (Notes 4, 12 and 20) Management applies the revaluation method in measuring the Company's carrying value of its property, plant and equipment. These assets are revalued on a monthly basis by management using the indexation model and every seven years by an external valuer. In the current year, an external valuation was performed. Management's expert for the external revaluation of its property, plant and equipment employed the use of expert inspection, open market pricing, comparative valuation, and indexation for the respective asset classes. The applicable method for valuing each category of asset depended on a combination of physical nature and geographical location of the assets, number of assets within that asset class, materiality of the asset classes to the total fixed assets base, and the availability of cost information on similar assets in the market. Key inputs used in the valuation are equipment and commodity price indices, labour costs and exchange rate fluctuations. These inputs are relevant for the determination of the replacement cost of the fixed assets as most of the components of the Company's assets are purchased in United States dollars. Given the materiality of the Company's property, plant and equipment, together with the significant judgement and estimates that are used in determining the carrying value, the valuation of these assets is considered a key audit matter.	Procedures performed include: • Assessed the independence and professional competence of management's expert engaged for the revaluation exercise. • Obtained an understanding of the various valuation methods used by management's expert for the respective asset classes of the Company's property, plant and equipment. • Assessed the appropriateness of the valuation method employed for the respective classes of the Company's property, plant and equipment in consideration of the nature, location, and materiality of the assets. We also considered the availability of cost information of similar assets used in the valuation. • Reviewed the basis for the determination of the equipment and commodity price indices, and the labour cost fluctuations. We also compared the exchange rate used to the rate per the Bank of Ghana. • Checked the mathematical accuracy of the revaluation worksheet and agreed the value to the amount reported in the financial statements. • Reviewed disclosures included in financial statements for appropriateness.

Other information

The directors are responsible for the other information. The other information comprises Corporate Information; Vision, Mission and Values; GRIDCo at a Glance; Board Chairman's Report; Report of the Directors; Management Staff as at December 2018; Chief Executive's Report; Corporate Governance; Corporate Social Responsibility; Operational Report; Engineering Projects; Bulk Customers and Wholesale Suppliers but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), 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.

The directors are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' 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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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; and

- 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 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, so far as appears from our examination of those books; and

iii)the Company's balance sheet (statement of financial position) and Company's profit and loss account (income statement) are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is George Kwesi Arhin (ICAG/P/1187).

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2019/028)
Chartered Accountants
Accra, Ghana
4 November 2019

pwc

INCOME STATEMENT

(All amounts are in thousands of Ghana cedis)

		Year ended 31 December	
		2018	2017
	Note		
Revenue	5	**490,470**	715,200
Direct costs	6	**(373,151)**	(353,532)
Gross profit		**117,319**	361,668
Other income	7	**22,701**	29,002
General and administrative expenses	8	**(130,409)**	(211,061)
Operating profit		**9,611**	179,609
Finance costs	9	**(167,518)**	(211,376)
Finance income	10	**1,131**	3,261
Loss before income tax		**(156,776)**	(28,506)
Income tax credit/(expense)	11	**42,482**	(2,594)
Loss for the year		**(114,294)**	(31,100)

The notes on pages 42 to 73 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis)

	Note	Year ended 31 December	
		2018	2017
Loss for the year		**(114,294)**	(31,100)
Other comprehensive income:			
Items that will not be classified to profit or loss:			
(Loss)/gain on revaluation of property, plant and equipment and intangible assets	12 & 13	**(650,494)**	158,291
Deferred tax credit/(charge) on gains on revaluation	11	**162,623**	(39,573)
Total comprehensive income for the year – (loss)		**(602,165)**	87,618

The notes on pages 42 to 73 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana cedis)

	Note	As at 31 December 2018	2017
ASSETS			
Non-current assets			
Intangible assets	13	**4,827**	12,483
Property, plant and equipment	12	**4,550,383**	4,766,059
Loans and receivables	14	**7,328**	7,843
Total non-current assets		**4,562,538**	4,786,385
Current assets			
Inventories	15	**19,462**	19,121
Trade and other receivables	16	**650,907**	998,586
Cash and cash equivalents (excluding bank overdraft)	17	**215,788**	198,534
Total current assets		**886,157**	1,216,241
Total assets		**5,448,695**	6,002,626

The notes on pages 42 to 73 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (continued)

(All amounts are in thousands of Ghana cedis)

	Note	As at 31 December 2018	2017
EQUITY AND LIABILITIES			
Equity			
Stated capital	18	**1,010,870**	350,922
Income surplus account	19	**343,300**	843,560
Revaluation reserve account	20	**653,319**	1,143,899
Total equity		**2,007,489**	2,338,381
Liabilities			
Non-current liabilities			
Contract liabilities	25	**11,430**	7,967
Deferred income tax liabilities	11	**307,265**	512,370
Borrowings	21	**1,440,942**	1,811,329
Trade and other payables	22	**56,511**	76,667
Deferred donor support	24	**12,997**	9,541
Total non-current liabilities		**1,829,145**	2,417,874
Current liabilities			
Contract liabilities	25	**922**	629
Trade and other payables	22	**1,191,031**	800,645
Current income tax liabilities	11	**140,414**	145,483
Borrowings (excluding bank overdraft)	21	**251,301**	294,833
Bank overdraft	17	**28,393**	4,781
Total current liabilities		**1,612,061**	1,246,371
Total liabilities		**3,441,206**	3,664,245
TOTAL EQUITY AND LIABILITIES		**5,448,695**	6,002,626

The notes on pages 42 to 73 are an integral part of these financial statements.
The financial statements on pages 36 to 73 were approved by the Board of Directors on October 29, 2019 and signed on their behalf by:

....
Ambassador Kabral Blay-Amihere
Board Chairman

....
Mr. Jonathan Amoako-Baah
Chief Executive

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana cedis)

	Stated capital	Income Surplus account	Revaluation reserve surplus	Total
Year ended 31 December 2018				
Balance at 1 January 2018	350,922	843,560	1,143,899	**2,338,381**
Loss for the year	-	(114,294)	-	**(114,294)**
Other comprehensive income:				
Loss on revaluation of property, plant and equipment (note 12) and intangible assets (note 13)	-	-	(650,494)	**(650,494)**
Deferred tax credit on loss on revaluation of property, plant and equipment and intangible assets (note 11)	-	-	162,623	**162,623**
Total comprehensive income	-	(114,294)	(487,871)	**(602,165)**
Loan conversion to share capital	659,948	-	-	**659,948**
IFRS 9 impairment opening balance adjustment	-	(388,675)	-	**(388,675)**
Transfer from revaluation reserve surplus	-	2,709	(2,709)	-
Balance at 31 December 2018	**1,010,870**	**343,300**	**653,319**	**2,007,489**
Year ended 31 December 2017				
Balance at 1 January 2017	350,922	784,545	1,115,296	2,250,763
Loss for the year	-	(31,000)	-	(31,000)
Other comprehensive income:				
Gain on revaluation of property, plant and equipment (note 12) and intangible assets (note 13)	-	-	158,291	158,291
Deferred tax charge on gain on revaluation of property, plant and equipment and intangible assets (note 11)	-	-	(39,573)	(39,573)
Total comprehensive income	-	(31,000)	118,718	87,618
Transfer from revaluation reserve surplus	-	90,115	(90,115)	-
Balance at 31 December 2017	350,922	843,560	1,143,899	2,338,381

The notes on pages 42 to 73 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis)

	Year ended 31 December 2018	2017
Cash flows from operating activities		
Loss before tax	**(156,776)**	(28,506)
Adjusted for:		
Depreciation of property, plant and equipment (note 12)	**133,642**	116,558
Amortisation of intangible assets (note 13)	**4,000**	2,589
Exchange difference on borrowings (note 21)	**149,207**	143,283
Interest expense (note 9)	**16,833**	65,505
Interest received on call accounts (note 10)	**(1,131)**	(3,261)
Write-off of property, plant and equipment (note 12)	**70,034**	612
Write-off of intangible assets (note 13)	**6,174**	-
Profit on disposal of property, plant and equipment (note 12)	**(255)**	-
Working capital adjustments:		
(Increase)/decrease in inventories	**(341)**	26
Decrease in loans and receivables	**515**	2,673
Increase in trade and other receivables	**(40,996)**	(283,386)
Increase in trade and other payables	**370,230**	392,480
Increase/(decrease) in contract liabilities (note 25)	**3,756**	(838)
Tax paid (note 11)	**(5,069)**	(6,108)
Net cash generated from operating activities	**549,823**	401,627
Cash flows from investing activities		
Interest received on call accounts (note 10)	**1,131**	3,261
Purchase of property, plant and equipment (note 12)	**(640,570)**	(1,077,497)
Proceeds from sale of property, plant and equipment (note 12)	**453**	-
Purchase of intangible assets (note 13)	**(640)**	-
Net cash used in investing activities	**(639,626)**	(1,074,236)
Cash flows from financing activities		
Proceeds from donor support (note 24)	**3,456**	4,240
Loan drawdown (note 21)	**439,736**	923,197
Principal repayment of borrowings (note 21)	**(328,436)**	(239,393)
Repayment of interest on borrowings (note 21)	**(31,311)**	(18,820)
Net cash generated from financing activities	**83,445**	669,224
Net decrease in cash and cash equivalents	**(6,358)**	(3,385)
Cash and cash equivalents at beginning of year	**193,753**	197,138
Cash and cash equivalents at end of year (note 17)	**187,395**	193,753

Non-cash flow transactions during the year ended 31 December 2018 relates to the conversion of GH¢659.99 million (2017: Nil) debt to equity (Note 21).

The notes on pages 42 to 73 are an integral part of these financial statements.

NOTES

1. General information

Ghana Grid Company Limited (GRIDCo) ("the Company") is incorporated in Ghana as a limited liability company under the Companies Act, 1963 (Act 179) and is domiciled in the Republic of Ghana. The address of its registered office is Off the Tema Aflao Road, Near Tema Steel Works, P.O. Box CS 7979, Tema. The principal activity of the Company is transmission of electricity and commercial telecommunication services.

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the income statement, in these financial statements.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1963 (Act 179). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, plant and equipment.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.1.1 Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Company

The Company has applied the following standards and interpretations for the first time to their annual reporting period commencing 1 January 2018:

- IFRS 9 'Financial Instruments', replaces IAS 39 Financial Instruments: Recognition and Measurement;
- IFRS 15 'Revenue from Contract with customers', replaces IAS 18 which covered contracts for goods and services and IAS 11 which covered construction contracts; and
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The adoption of the above standards resulted in changes in accounting policies but with the exception of IFRS 9, did not have an impact on the amounts recognised in prior and current periods and is not expected to affect future periods. Retrospective adjustments in respect of IFRS 9 are disclosed in Note 29.

(ii) New standards, amendments and interpretations that are not yet effective and have not been early adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16, 'Leases' sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard will affect primarily the accounting by lessees and will result in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of comprehensive income (profit or loss account) will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like earnings before interest, taxes, depreciation and amortisation (EBITDA) will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES (CONTINUED)
2. Summary of significant accounting policies (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(ii) New standards, amendments and interpretations that are not yet effective and have not been early adopted by the Company (Continued)

The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. The full impact of IFRS 16 on the Company was yet to be completed by the directors as at 31 December 2018.

Interpretation 23 'Uncertainty over Income Tax Treatments' explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements. The Company will apply the 'Interpretation 23' from its mandatory adoption date of 1 January 2019.

The full impact of Interpretation 23 on the Company was yet to be completed by the Directors as at 31 December 2018.

Annual Improvements to IFRS Standards 2015 – 2017 Cycle were finalised in December 2017.

These improvements include:

- IAS 12 - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The Company will apply the 'Annual Improvements' from its mandatory adoption date of 1 January 2019. The full impact of these 'Annual Improvements' on the Company was yet to be completed by the directors as at 31 December 2018.

There are no other standards or interpretations that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Ghana cedis (GH¢), which is also the Company's presentation currency.

2.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 relates to cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.3 Revenue Recognition

2.3.1 Transmission service charge

Revenue from the transmission of power is recognised when the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred for the transaction and the costs to deliver the power can be measured reliably.

2.3.2 Interest income

Interest income is recognised when the right to receive the interest is established.

2.3.3 Fibre optic maintenance income

Income is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2.4 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date in the country where the Company operate and generate taxable income.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.5 Employee benefits

2.5.1 Defined contribution plans

The Company and all its employees contribute to pension schemes which are classified as defined pension schemes. These schemes are approved by the regulatory authority.

A defined contribution scheme is a pension plan under which the entity pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's contributions to these schemes for its employees are recognised as an employee benefit expense when they are due.

2.5.2 Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.5 Employee benefits (continued)

2.5.3 Bonus

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.5.4 Long service awards

To recognise and reward members of staff for continuous and dedicated service, the Company makes awards to all employees. Employees are rewarded for 10, 15, 20, 25, 30, 35 and 40 years of service. Liabilities for long service awards are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

2.6 Property, plant and equipment

Property, plant and equipment are shown at fair value, based on valuations by management on a monthly basis and by external independent valuers every seven years, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Freehold and leasehold land are shown at fair value, based on valuations by external independent valuers every seven years.

On initial recognition, all property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the income statement.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and depreciation based on the asset's original cost is transferred from 'revaluation reserves' to 'income surplus account'.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Asset class	Useful life (years)
Transmission assets	30 - 45
Leasehold land	Over the life of the lease
Buildings	40
Motor vehicles	4 -10
Computers	4 - 5
Miscellaneous plant & office equipment	4 - 8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 (note 2.8).

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

When revalued assets are sold, the amounts included in other reserves are transferred to income surplus account.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.7 Intangible assets

Intangible assets are shown at fair value, based on valuations by management on a monthly basis and by external independent valuers every seven years, less subsequent amortisation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated amortisation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised either over their estimated useful lives, which does not exceed four years, or over the life of the licence.

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.9 Inventories

The Company's inventories consist of consumables. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost refers to direct purchase costs. Where appropriate, provision is made for obsolescence. Borrowing costs are not included in cost of inventories.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Prepayments are advance payments by the Company towards the provision of service or physical space. The advance payments are amortised over the period the service is received or the period of the contract for use of the physical space.

2.11 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.12 Stated capital

Ordinary shares are classified as stated capital in equity. All shares are issued at no par value.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.13 Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.14 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

Accounts payable and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are stated at their nominal value and recognised when an obligation to settle is established. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

2.16 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Financial assets

(i) Classification

From 1 January 2018, the Company classifies its financial assets as 'financial assets measured at amortised cost'. Financial instruments are classified as 'financial assets at amortised cost' when both criteria outlined below are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures its financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest rate method. Interest income from these financial assets is included in finance income using the effective interest rate method.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.17 Financial assets (continued)

(iii) Measurement (Continued)

Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement.

(iv) Impairment

From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (where data is available and is obtained without undue effort or cost) affecting the ability of the customers to settle the receivables.

2.17.1 Accounting policies applied until 31 December 2017

(i) Classification

All the Company's financial assets are classified as loans and receivables. The classification is driven by the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (notes 2.10 and 2.11).

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(iii) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(iv) Impairment of financial assets

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

Evidence of impairment may include indications that the debtors or a group 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 where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.17 Financial assets (continued)

2.17.1 Accounting policies applied until 31 December 2017 (continued)

(iv) Impairment of financial assets (Continued)

asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2.18 Financial liabilities

The Company's holding in financial liabilities represents mainly trade payables and other payable (note 2.15) and borrowings (note 2.13). Such financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.20 Government grants and donor support

Grants from the government and donor support are recognised at their fair value where there is a reasonable assurance that the grant or support will be received and the Company will comply with all attached conditions.

Government grants and donor support relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants and donor support relating to property, plant and equipment are included in non-current liabilities as deferred government grants and deferred donor support and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.21 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

3. Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

NOTES (CONTINUED)

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk

3.1.1.1 Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars, the Euro and the Pound Sterling. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

To manage the Company's foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company holds some of its bank balances in foreign currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

At 31 December 2018, if the Ghana cedi had weakened/ strengthened by 20% (2017: 20%) against the US dollar with all other variables held constant, post tax loss for the year would have been GH¢159.29 million (2017: GH¢172.8 million) higher/lower, mainly as a result of US dollar denominated borrowings.

At 31 December 2018, if the Ghana cedi had weakened/ strengthened by 20% (2017: 20%) against the Euro with all other variables held constant, post tax loss for the year would have been GH¢47.41 million (2017: GH¢65.4 million) higher/lower, mainly as a result of Euro denominated borrowings.

At 31 December 2018, if the Ghana cedi had weakened/ strengthened by 20% (2017: 20%) against the Pound with all other variables held constant, post tax loss for the year would have been Nil (2017: GH¢0.01 million) lower/higher, mainly as a result of Pound denominated amounts payable.

3.1.1.2 Cash flow and fair value interest rate risk

The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At 31 December 2018, if interest rates on borrowings had been 10 basis points higher/lower with all other variables held constant, the calculated post-tax loss (2017: loss) for the year would have been GH¢2.55 million (2017: GH¢5.2 million) higher/lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

3.1.2 Credit risk

The Company's credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For foreign banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For local banks and financial institutions, the Company transacts business with only those issued with operating license by the Central Bank. To manage credit risk arising from trade receivables, the credit department assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties aside those disclosed in note 16.

Exposure to credit risk

The carrying value of the Company's financial assets represents its maximum exposure to credit risk. Set out below is the Company's gross exposure to credit risk at the reporting date.

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

3. Financial risk management (Continued)
3.1 Financial risk factors (Continued)
3.1.2 Credit risk (Continued)
Exposure to credit risk (continued)

	2018	2017
Trade receivables (gross trade receivables)	**1,039,768**	1,059,300
Other receivables (excluding prepayment)	**18,469**	12,489
Cash at bank and call account balances	**215,767**	198,479
Loans and receivables	**7,328**	7,843
	1,281,332	1,278,111

	2018	2017
Trade receivables:		
Neither past due nor impaired	**305,635**	769,147
Past due but not impaired	**315,839**	210,529
Impaired	**418,294**	79,624
Total	**1,039,768**	1,059,300
Provision for impairment loss	**(418,294)**	(79,624)
Net carrying amount of trade receivables	**621,474**	979,676

96.58% (2017: 93.91%) of the Company's gross trade receivables are due from:

	2018	2017
Electricity Company of Ghana Limited	**60.94%**	66.09%
Volta Aluminium Company Limited	**18.51%**	15.29%
Northern Electricity Distribution Limited	**17.13%**	12.53%

97.21% (2017: 82.03%) of the cash and cash equivalents (excluding bank overdraft) are held by:

	2018	2017
Cal Bank Limited	**2.07%**	6.15%
Societe General Ghana Limited	**3.31%**	2.74%
Barclays Bank PLC	**67.09%**	52.34%
Bank of Africa Ghana Limited	**4.19%**	17.30%
Ecobank Ghana Limited	**12.09%**	1.17%
Agriculture Development Bank Limited	**2.89%**	2.26%
Standard Chartered Bank (Ghana) Limited	**5.57%**	0.07%

None of the Company's cash and cash equivalents (note 17); loans and receivables (note 14); and other receivables (excluding prepayment) (note 16) were impaired as at 31 December 2018 and 31 December 2017.

The Company does not hold any collateral securities.

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

3. Financial risk management (Continued)
3.1 Financial risk factors (Continued)
3.1.2 Credit risk (Continued)
Exposure to credit risk (continued)

Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2018 and 1 January 2018 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

3.1.3 Liquidity risk

Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 21) at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2018

	Carrying amount	Less than 1 year	1-2 years	2-5 Years	Above 5 years
Trade and other payables	**1,247,542**	1,199,918	47,624	-	-
Borrowings	**1,692,243**	251,301	262,814	259,279	918,849
Bank overdraft	**28,393**	**28,393**	-	-	-
	2,968,178	**1,479,612**	**310,438**	**259,279**	**918,849**

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

3. Financial risk management (Continued)
3.1 Financial risk factors (Continued)
3.1.2 Credit risk (Continued)
Exposure to credit risk (continued)

3.1.3 Liquidity risk (continued)

As at 31 December 2017

	Carrying amount	Less than 1 year	1-2 years	2-5 Years	Above 5 years
Trade and other payables	877,312	806,524	70,788	-	-
Borrowings	2,106,162	294,833	625,010	486,080	987,359
Bank overdraft	4,781	4,781	-	-	-
	2,988,255	1,106,138	695,798	486,080	987,359

3.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2018, the Company's strategy, which was unchanged from 2017, was to maintain the gearing ratio within 1% to 2%.

	2018	2017
Total borrowings including bank overdraft (note 21) and (note 17)	**1,720,636**	2,110,943
Less: cash and cash equivalents (excluding bank overdraft) (note 17)	**(215,788)**	(198,534)
Net debt	**1,504,848**	1,912,409
Total equity	**2,007,489**	2,338,381
Total capital	**3,512,337**	4,250,790
Gearing ratio	**43%**	45%

3.3 Fair value estimation

The Company discloses the fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

3. Financial risk management (Continued)

3.3 Fair value estimation (continued)

The table below analyses financial instruments held by the entity:

	2018	2017
Financial assets		
Loans and receivables	**7,328**	7,843
Trade and other receivables (excluding prepayment)	**639,943**	992,165
Cash and cash equivalents (excluding cash)	**215,767**	198,479
	863,038	1,198,487

	2018	2017
Financial liabilities at amortised cost		
Trade and other payables (excluding statutory liabilities)	**1,195,349**	837,830
Borrowings	**1,692,243**	2,106,162
Bank overdraft	**28,393**	4,781
	2,915,985	2,948,773

At 31 December 2018 and 2017, the Company did not hold any financial assets and liabilities that are measured at fair value. See note 12 for disclosures of property, plant and equipment that are measured using the revaluation model.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4.1.1 Income tax

The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.1.2 Fair value of property, plant and equipment

On a monthly basis, Management determine the fair value of the Company's property and equipment using indexation. Valuation by an external valuer is done every seven years, with the most recent being in 2018. The most significant inputs used are US urban index for general price level and the Ghana cedi/United States dollar exchange rate.

4.1.3 Employee benefit obligation

The Company has a long service award scheme for its employees. The assumptions used in estimating the outstanding liabilities are set out in Note 30.

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

5. Revenue

	2018 GWH	2017 GWH	2018 Amount	2017 Amount
Total transmission	**15,960**	13,678		
Sub-station usage	9	8		
Revenue from transmission services			**490,470**	715,200

6. Direct costs

Staff cost (note 8)	**92,074**	92,724
Materials and spares consumed	**1,786**	2,133
Maintenance and other direct cost	**46,132**	35,585
Depreciation of property, plant and equipment (note 12)	**115,939**	98,714
Write-off of property, plant and equipment (note 12)	**64,300**	612
Transmission loss	**52,920**	123,764
	373,151	353,532

Transmission losses for the year ended 31 December 2018 was 707 GWH (2017: 587 GWH).

7. Other income

Bandwidth income	**2,316**	1,207
Fibre optic maintenance income	**2,923**	1,694
Exchange gain	**15,062**	24,293
Miscellaneous income	**2,400**	1,808
	22,701	29,002

8. General and administrative expenses

Directors emoluments	**410**	151
Staff cost	**94,956**	95,217
Spares consumed	**485**	3,592
Other administrative cost	**49,329**	76,295
Depreciation of property, plant and equipment (note 12)	**17,703**	17,844
Provision for impairment (recoveries)/charge	**(48,331)**	15,197
Amortisation of intangible assets (note 13)	**4,000**	2,589
Write-off of property, plant and equipment and intangible assets (note 12 & 13)	**11,653**	-
Auditors remuneration	**204**	176
	130,409	211,061

NOTES (CONTINUED)

(All amount are in thousands of Ghana Cedis unless otherwise stated)

8. General and administrative expenses (Continued)

	2018	2017
Staff cost for the year include:		
Wages and salaries and other termination benefits	**164,161**	166,371
Employers share of pension cost	**22,869**	21,570
	187,030	187,941
Allocation of staff cost:		
Staff cost allocated to direct cost (note 6)	**92,074**	92,724
Staff cost allocated to general and expenses	**94,956**	95,217

The total number of staff employed by the Company by the end of the year was 917 (2017: 947).

9. Finance costs

Sundry finance cost	**1,478**	2,588
Interest on loans and overdrafts	**16,833**	65,505
Exchange loss on borrowings (note 21)	**149,207**	143,283
	167,518	211,376

10. Finance income

Interest income	**1,131**	3,261

11. Income tax

(i) Income tax (credit)/expense

Current income tax	**-**	-
Deferred income tax (credit)/charge	**(42,482)**	2,594
Total	**(42,482)**	2,594

Year ended 31 December 2018

	Balance 1 January	Charge to income statement	Payment during the year	Balance 31 December
Year of assessment:				
2008 to 2017	145,483	-	-	145,483
2018	-	-	(5,069)	(5,069)
Total	145,483	-	(5,069)	140,414

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

11. Income tax (continued)

Year ended 31 December 2017

	Balance 1 January	Charge to income statement	Payment during the year	Balance 31 December
Year of assessment:				
2008 to 2016	151,591	-	-	151,591
2017	-	-	(6,108)	(6,108)
Total	151,591	-	(6,108)	145,483

(i) Income tax (credit)/expense (continued)

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the results of the Company as follows:

	2018	2017
Loss before income tax	**(156,776)**	(28,506)
Corporate tax rate	**25%**	25%
Income tax using the corporate tax rate of 25%	**(39,194)**	(7,127)
Adjusted for tax effect of:		
Unutilised tax losses	**(62,861)**	-
Expenses not deductible for tax purposes	**59,573**	9,721
Income tax (credit)/expense	**(42,482)**	2,594

(ii) Deferred income tax liabilities

Balance as at 1 January	**512,370**	470,203
(Credit)/charge to income statement	**(42,482)**	2,594
(Credit)/charge to equity	**(162,623)**	39,573
Balance as at 31 December	**307,265**	512,370

Year ended 31 December 2018

	At 1 January	Credit to income statement	Credit to equity	At 31 December
Deferred tax liabilities arising from:				
Other deductible temporary difference	57,132	(42,482)	-	**14,650**
Revaluation surplus on properties	455,238	-	(162,623)	**292,615**
	512,370	(42,482)	(162,623)	**307,265**

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

11. Income tax (continued)
Year ended 31 December 2017

	At 1 January	Credit to income statement	Charged to equity	At 31 December
Deferred tax liabilities arising from:				
Other deductible temporary difference	54,538	2,594	-	57,132
Revaluation surplus on properties	415,665	-	39,573	455,238
	470,203	2,594	39,573	512,370

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

12. Property, plant and equipment

Year ended 31 December 2018

	Transmission assets	Freehold land	Leasehold land	Buildings	Motor vehicles	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
Cost/valuation									
Balance as at 1 January 2018	4,826,018	16,129	25,817	177,780	152,676	6,136	7,445	1,837,816	**7,049,817**
Write-off	(122,048)	-	-	(6,172)	(2,072)	(640)	-	-	**(130,932)**
Disposal	-	-	-	-	(1,684)	-	(215)	-	**(1,899)**
Transfers from Capital Works	598,968	-	25,249	20,133	2,754	345	5,906	(653,355)	**-**
Transfers from CWIP to intangible assets	-	-	-	-	-	-	-	(5,758)	**(5,758)**
Gross revaluation adjustment	(2,924,719)	29,944	85,779	(64,757)	(108,625)	(1,045)	(5,540)	-	**(2,988,963)**
Purchases	49,118	-	-	81	15,091	242	1,565	574,473	**640,570**
Balance 31 December 2018	**2,427,337**	**46,073**	**136,845**	**127,065**	**58,140**	**5,038**	**9,161**	**1,753,176**	**4,562,835**
Accumulated depreciation									
Balance as at 1 January 2018	2,111,605	-	7,067	31,720	123,806	5,403	4,157	-	**2,283,758**
Write-off	(57,749)	-	-	(574)	(2,042)	(533)	-	-	**(60,898)**
Disposal	-	-	-	-	(1,488)	-	(213)	-	**(1,701)**
Gross revaluation adjustment	(2,159,139)	-	(8,245)	(34,116)	(130.710)	(5,205)	(4,934)	-	**(2,342,349)**
Charge for the year	115,939	-	1,178	4,493	10,555	337	1,140	-	**133,642**
Balance at 31 December 2018	**10,656**	**-**	**-**	**1,523**	**121**	**2**	**150**	**-**	**12,452**
Net book value									
At 31 December 2018	**2,416,681**	**46,073**	**136,845**	**125,542**	**58,019**	**5,036**	**9,012**	**1,753,176**	**4,550,383**
At 31 December 2017	2,714,413	16,129	18,750	146,060	28,870	733	3,288	1,837,816	4,766,059

The write-off relates to damaged assets. The net book amount of these assets was recognised in the income statement as there was no amount included in the assets revaluation surplus relating to the related assets.

NOTES (CONTINUED)

(All amount are in thousands of Ghana Cedis unless otherwise stated)

12. Property, plant and equipment (continued)

Analysis of depreciation charged to the income statements:	2018	2017
Included in cost of sales (note 6) – depreciation of transmission and other related assets	115,939	98,714
Included in general and administrative expense (note 8)	17,703	17,844
Total depreciation charge for the year	133,642	116,558

Profit on disposal of property, plant and equipment

Cost on disposal	1,899	-
Accumulated depreciation on disposal	(1,701)	-
Carrying value on disposal	198	-
Proceeds on disposal	(453)	-
Profit on disposal	255	-

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

Year ended 31 December 2017

	Transmission assets	Freehold land	Leasehold land	Buildings	Motor vehicles	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
Cost/valuation									
Balance as at 1 January 2017	3,663,839	16,129	25,817	160,004	132,808	5,093	5,704	1,601,721	5,611,115
Write-off	-	-	-	(666)	-	-	-	-	(666)
Transfers from Capital Works	356,445	-	-	4,523	1,648	330	718	(363,664)	-
Transfers from CWIP to intangible assets	-	-	-	-	-	-	-	(11,381)	(11,381)
Gross revaluation adjustment	347,736	-	-	13,133	11,462	444	477	-	373,252
Purchases	457,998	-	-	786	6,758	269	546	611,140	1,077,497
Balance 31 December 2017	4,826,018	16,129	25,817	177,780	152,676	6,136	7,445	1,837,816	7,049,817
Accumulated depreciation									
Balance as at 1 January 2017	1,809,696	-	5,889	25,139	103,447	4,580	3,103	-	1,951,854
Write-off	-	-	-	(54)	-	-	-	-	(54)
Gross revaluation adjustment	203,195	-	-	2,197	9,330	400	278	-	215,400
Charge for the year	98,714	-	1,178	4,438	11,029	423	776	-	116,558
Balance at 31 December 2017	2,111,605	-	7,067	31,720	123,806	5,403	4,157	-	2,283,758
Net book value									
At 31 December 2017	2,714,413	16,129	18,750	146,060	28,870	733	3,288	1,837,816	4,766,059
At 31 December 2016	1,854,143	16,129	19,928	134,865	29,361	513	2,601	1,601,721	3,659,261

NOTES (CONTINUED)

(All amount are in thousands of Ghana Cedis unless otherwise stated)

12. Property, plant and equipment (continued)

A revaluation of the Company's property, plant and equipment and intangible assets was performed to determine their fair values as at 31 December 2018 and 2017. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserves' in shareholders equity. Set out below are the hierarchy for classifying valuation inputs:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The most significant inputs used in the valuation are set out in note 4.1.2 and are classified under the level 2 fair value inputs hierarchy.

Valuation processes of the Company

On a monthly basis management determines the fair value of the Company's property, plant and equipment using the indexation method. Valuation by an external valuer is done every seven years, with the most recent being in 2018.

13. Intangible assets

Software

	2018	2017
Cost/valuation		
Balance as at 1 January	**15,643**	3,700
Additions	**640**	-
Transfer from CWIP	**5,758**	11,381
Write-off	**(10,433)**	-
Gross revaluation adjustment	**(6,230)**	562
At 31 December	**5,378**	15,643
Amortisation		
Balance as at 1 January	**3,160**	448
Write-off	**(4,259)**	-
Gross revaluation adjustment	**(2,350)**	123
Charge for the year	**4,000**	2,589
At 31 December	**551**	3,160
Net book amount at 31 December	**4,827**	12,483

14. Loans and receivables

Staff loans	**7,328**	7,843

The amount set out above represent non-current portion of staff loans.

15. Inventories

Stores and spare parts	**19,462**	19,121

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

16. Trade and other receivables

	2018	2017
Gross trade receivable	1,039,768	1,059,300
Impairment of trade receivables	(418,294)	(79,624)
Net trade receivables	621,474	979,676
Sundry receivables	9,672	6,731
Receivables from ancillary services rendered	8,069	615
Prepaid expenses and advances (excluding staff loans)	10,964	6,421
Staff loans	728	5,143
	650,907	998,586

Out of the gross trade receivable of GH¢1,039.77 million (2017: GH¢1,059.3 million), GH¢995.0 million (2017: GH¢994.8 million) is due from related parties (note 23(b)).

The maximum amount of staff loans during the year did not exceed GH¢10.83 million (2017: GH¢10.83 million).

All trade debtors and other receivables (excluding prepayments) are current and their carrying amounts approximate their fair value.

Movement on the provision for impairment of trade receivables is as follows:

	2018	2017
At January 1	79,624	64,427
IFRS 9 opening balance adjustment	388,675	-
Impairment (recoveries)/charge during the year	(48,331)	15,197
Write-off	(1,674)	-
At December 31	418,294	79,624

The Company adopted IFRS 9 Financial Instruments effective 1 January 2018. The cumulative opening balance review for the year 2018 resulted in an opening balance adjustment of GH¢388.68 million (2017: Nil) to the impairment provision balance.

NOTES (CONTINUED)

17. Cash and cash equivalents

	2018	2017
Call account	1,257	7,450
Cash on hand	21	55
Cash at banks	214,510	191,029
	215,788	198,534

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

Cash and cash equivalents	215,788	198,534
Bank overdraft	(28,393)	(4,781)
	187,395	193,753

Included in cash and cash equivalents is GH¢160.43 million (2017: GH¢148.07 million) representing amounts held in debt service reserve accounts to service the Company's debt facilities.

18. Stated capital

i. The number of shares authorised, issued and in treasury are as follows:

	2018	2017
Ordinary shares:		
Authorised	11,000,000	10,000,000
Issued	10,010,000	10,000,000

ii. Proceeds from the issued shares are as follows:

Ordinary shares:		
Issued for cash	1	1
Consideration other than cash	1,010,869	350,921
Total	1,010,870	350,922

During the year ended 31 December 2018, the sole shareholder of the Company, Government of Ghana through the Ministry of Finance, approved the conversion of GH¢659.95 million debt owed it by the Company into stated capital.

19. Income surplus account

The income surplus balance represents the amount available for distribution to the members of the Company, subject to regulations imposed by Companies Act, 1963 (Act 179). Movements in the income surplus account are shown as part of the statement of changes in equity on page 40.

20. Revaluation reserve account

The revaluation reserve balance represents revaluation gains on the Company's property, plant and equipment. Movements in the income surplus account are shown as part of the statement of changes in equity on page 40.

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

21. Interest bearing loans and borrowings

	2018	2017
Loans due within one year	**251,301**	294,833
Loans falling due after one year		
Loans due within two and five years	**1,007,964**	823,970
Over five years	**432,978**	987,359
	1,440,942	1,811,329
Total borrowings	**1,692,243**	2,106,162

Year ended 31 December 2018

Lender	At start of year	Drawdown/ unpaid interest	Repayment	Exchange difference	Converted to equity	At end of year
Rand Merchant Bank	18,218	221	(18,422)	(17)	-	**-**
Societe Generale Ghana Limited	151,594	2,181	(27,128)	5,904	-	**132,551**
Societe Generale Ghana Limited	116,899	1,698	(20,310)	4,683	-	**102,970**
HSBC	5,899	119	(6,248)	230	-	**-**
Nordea Bank	132,688	2,235	(19,274)	5,142	-	**120,791**
Stanbic Bank	3,708	567	(2,934)	-	-	**1,341**
Ecobank	213,595	-	(65,035)	16,690	-	**165,250**
CAL Bank	43,722	3,289	(18,599)	3,249	-	**31,661**
Bank of Africa	34,152	2,547	(15,505)	1,077	-	**22,271**
Agence Francaise de Development	355,910	149,367	(44,064)	42,465	-	**503,678**
IDA 4971 GH (WB)	85,312	24,738	-	5,979	-	**116,029**
Newmont Golden Ridge	6,318	-	(4,646)	356	-	**2,028**
IBISTEK- Afienya Substation	19,810	5,460	(11,264)	676	-	**14,682**
Sunon Asogli	5,386	-	(3,010)	235	-	**2,611**
Export - Import Bank of Korea	178,857	119,908	-	18,185	-	**316,950**
Ministry of Finance - On Lending	63,658	2,906	-	2,861	(69,425)	**-**
VRA Contribution to WAPP- US Dollar	66,464	-	-	6,085	-	**72,549**
Kuwait Fund 657	37,249	3,120	-	1,707	(42,076)	**-**
IDA CR4092	192,584	(22,631)	-	9,996	(179,949)	**-**
IDA CR4213	187,623	18,653	-	11,125	(217,401)	**-**

NOTES (CONTINUED)

21. Interest bearing loans and borrowings (continued)

Year ended 31 December 2018

Lender	At start of year	Drawdown /unpaid interest	Repayment	Exchange difference	Converted to equity	At end of year
African Development Bank	88,199	74	-	5,953	(94,226)	-
AFD B-GEDAP	52,986	292	-	3,593	(56,871)	-
VRA Contribution to WAPP-Ghana Cedi	21,479	-	-	-	-	21,479
Ecobank Short Term Loan	23,852	121,258	(99,460)	3,033	-	48,683
AKSA Energy	-	14,460	-	-	-	14,460
Asanko Gold	-	1,444	(899)	-	-	545
Cenpower GHS	-	2,773	(1,848)	-	-	925
Cenpower USD	-	1,890	(1,101)	-	-	789
Total	**2,106,162**	**456,569**	**(359,747)**	**149,207**	**(659,948)**	**1,692,243**

During the year, the sole shareholder, Government of Ghana, approved the conversion of on-lent loans of GH¢659.99 million due it by the Company to share capital.

Included in the drawdown/unpaid interest balance is an amount drawn down of GH¢471.04 million (2017: GH¢923.20 million), interest charge for the year of GH¢16.83 million (2017: GH¢65.51 million) net of the interest repayment of GH¢31.31 million (2017: GH¢18.82 million).

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

21. Interest bearing loans and borrowings (continued)

Year ended 31 December 2017

Lender	At start of year	Drawdown /unpaid interest	Repayment	Exchange difference	At end of year
Rand Merchant Bank	34,408	399	(17,906)	1,317	18,218
Societe Generale Ghana Limited	146,885	542	(23,743)	27,910	151,594
Societe Generale Ghana Limited	111,141	410	(16,787)	22,135	116,899
HSBC	11,075	51	(5,940)	713	5,899
Nordea Bank	124,330	18	(1,195)	9,535	132,688
Stanbic Bank	6,173	4	(2,469)	-	3,708
Ecobank	269,143	-	(70,081)	14,533	213,595
CAL Bank	53,653	324	(13,104)	2,849	43,722
Bank of Africa	37,617	260	(13,831)	10,106	34,152
Agence Francaise de Development	223,040	127,074	(7,778)	13,574	355,910
IDA 4971 GH (WB)	28,793	52,096	-	4,423	85,312
Societe Generale (STL)	11,496	-	(12,654)	1,158	-
Newmont Golden Ridge	10,205	-	(4,400)	513	6,318
IBISTEK- Afienya Substation	17,710	12,145	(10,776)	731	19,810
Sunon Asogli	8,502	-	(3,482)	366	5,386
Export - Import Bank of Korea	86,611	69,631	-	22,615	178,857
Ministry of Finance - On Lending	51,608	1,245	-	10,805	63,658
VRA Contribution to WAPP- US Dollar	-	66,464	-	-	66,464
Kuwait Fund 657	-	37,249	-	-	37,249
IDA CR4092	-	192,584	-	-	192,584
IDA CR4213	-	187,623	-	-	187,623
African Development Bank	-	88,199	-	-	88,199
AFD B-GEDAP	-	52,986	-	-	52,986
VRA Contribution to WAPP- Ghana Cedi	-	21,479	-	-	21,479
Ecobank Short Term Loan	-	59,099	(35,247)	-	23,852
Total	**1,232,390**	**969,882**	**(239,393)**	**143,283**	**2,106,162**

NOTES (CONTINUED)

21. Interest bearing loans and borrowings (continued)

Summary of loan facilities

- Newmont Golden Ridge Limited constructed the Akyem Power Project and passed on the cost to GRIDCo as a loan. The loan is US Dollar denominated with a tenor of 3 years. No interest accrues on this amount as this is a cost reimbursement.
- NORDEA Bank financed the Bawku Zebilla Reinforcement Project with a Euro Loan. Interest rate is EURIBOR plus 1.94% with a tenor of 13 years. The moratorium is 3 years.
- CAL Bank also financed the Supply improvement to Berekum project with a Dollar loan. The tenor is 7 years with 2 years grace year with an interest rate of 8.5%.
- Rand Merchant Bank financed the Smelter II project with a US Dollar denominated loan with a tenor of 7 years with 36 months grace year. Interest rate is LIBOR plus 3 %.
- IBISTEK financed the construction of Afienya Substation and passed on a US Dollar denominated loan to GRIDCo. Tenor is 4 years with 12 months grace year. Interest is 6.5%.
- Stanbic Bank co-financed the Bawku Zebilla Reinforcement Project with a Cedi loan. Tenor is 7 years with 2 years grace year. Interest rate is 23.5%.
- Ecobank financed the Supply Improvement to Western Region Project with a US Dollar denominated loan. Tenor is 7 years with 2 years grace year. Interest rate is 5%.
- Bank of Africa financed the Switchgear Upgrade Project with a Euro denominated loan. Tenor is 6.5 years with 24 months grace year. The interest rate is 9%.
- Agence Francaise de Development financed the 330kv Kumasi to Bolgatanga Transmission line and other components with a USD Dollar Loan. The facility has a 20 years tenor with 5 years moratorium. Interest is 6 months LIBOR plus 1.63%.
- The IDA 4971 GH is a World Bank facility. The facility is for 35 years with a 10 year moratorium. It bears an interest rate of 1.25% per annum from the eleventh to twentieth year, and an interest rate of 2.50% per annum from the twenty first to the thirty fifth year.
- Societe Generale Ghana Limited financed the Tumu-Han-Wa transmission Project and the Substation Reliability Project with a Euro denominated loan. Tenor is 12 and 11.5 years respectively with 29 and 23 months moratorium respectively. Interest rate is EURIBOR plus 1.75% for the two loans.
- HSBC financed the Prestea - Bogoso transmission lines and Substation Refurbishment Project with a Dollar loan. Tenor is 5 years with 12 months moratorium. Interest rate is LIBOR plus 1.9%.
- Ecobank Ghana Limited made available to GRIDCo a US Dollar short-term facility for general corporate purpose at 13% interest rate over a three-month period from the date of initial drawdown.
- Sunon Asogli Power (SAP) constructed a 161KV double circuit transmission line for their gas-powered plant at Tema and passed on the cost to GRIDCo as a loan. The loan is US Dollar denominated with a tenor of 3 years. No interest accrues on this amount as this is a cost reimbursement.
- The Government of Ghana (Represented by the Ministry of Finance) and GRIDCo signed an on-lending agreement in respect of funding for the construction of the Kpando-Kajebi 161kV Single circuit transmission line and substation works. Tenor is 9.5 years at an interest rate of 2%.
- The Export-Import Bank of Korea financed the Prestea Enhancement Project with a dollar loan. Tenor is 35 years with a 10 year moratorium at an interest rate of 0.5%.
- The Government of Ghana (Represented by the Ministry of Finance) and the Kuwait fund for Arab Economic Development signed an agreement in respect of funding for the construction of the 330 KV Aboadze-Volta transmission line project. Tenor is 20 years with 4 years grace year at an interest rate of 3% per annum and an additional charge of 0.5% per annum for administrative charges. This facility was transferred to GRIDCo from the Volta River Authority (VRA) effective 31 December 2017.

NOTES (CONTINUED)

(All amount are in thousands of Ghana Cedis unless otherwise stated)

Summary of loan facilities (continued)

- The IDA CR 4092 GH is a World Bank facility for the construction of the first phase of the Coastal Transmission Backbone project. The facility is for 30 years with a 10-year moratorium at an interest rate of 1% per annum for the first 10 years and 2% for the remaining period. This facility was transferred to GRIDCo from VRA effective 31 December 2017.
- The IDA CR 4213 GH is a World Bank facility for the construction of the second phase of the Coastal Transmission Backbone project. The facility is for 30 years with a 10-year moratorium at an interest rate of 1% per annum for the first 10 years and 2% for the remaining period. This facility was transferred to GRIDCo from VRA effective 31 December 2017.
- African Development Bank financed the Power System Reinforcement Project (GEDAP) through a Loan facility granted to the Government of Ghana. The facility has a 40 years tenor with 10 years moratorium. Interest is 1% per annum for the first 10 years and 3% for the remaining period. This facility was transferred to GRIDCo from VRA effective 31 December 2017. Repayment on the facility commences 2018.
- African Development Bank financed the Ghana-Togo-Benin 330KV Power Interconnection Project through a Loan facility granted to the Government of Ghana. The facility has a 40 years tenor with 10 years moratorium. Interest is 1% per annum for the first 10 years and 3% for the remaining period. This facility was transferred to GRIDCo from VRA effective 31 December 2017. Repayment on the facility commences 2018.
- Volta River Authority (VRA) Contribution to WAPP relates to the portion of the facility financed by VRA on behalf of GRIDCo in respect of some transmission assets constructed by VRA. This liability was transferred to GRIDCo effective 31 December 2017.
- AKSA Energy Company Ghana Limited financed the utilisation of Enclave Power Company high voltage sub-station assets and associated transmission lines. This is a zero-interest loan with an unstipulated tenor.
- Asanko Gold Ghana Limited financed the completion and commissioning into service of the Mim to Juabeso 161Kv transmission line. This is a short term zero-interest loan with a six months tenor.
- Cenpower Energy Ghana Limited financed the construction of a 161Kv Double Circuit Line from Aluworks to Smelter II sub-station. This is a short term zero-interest loan with a 12 months tenor.

22. Trade and other payables

	2018	2017
Amount due to Public Utility Regulatory Commission	**122,395**	83,247
Amount due to related party (Volta River Authority) (note 23 (c))	**386,597**	335,525
Power infrastructure and ancillary service charge	**222,503**	202,314
Trade payables	**292,808**	60,867
Sundry payables	**15,815**	12,964
Accrued expenses	**150,913**	105,728
	1,191,031	800,645
Trade payables – non current		
Other employee benefit obligation (Note 30)	**8,887**	5,879
Compensation payments	**47,624**	70,788
	56,511	76,667

23. Related party transactions

Ghana Grid Company Limited is wholly own by the Government of Ghana. The Company is related to Volta River Authority, Electricity Company of Ghana, Northern Electricity Distribution Company Limited and Volta Aluminium Company Limited through common shareholding.

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

23. Related party transactions (continued)

During the year transactions between the Company and its related parties are as follows:

	2018	2017
(i) Provision of transmission services:		
Electricity Company of Ghana	328,314	500,099
Volta Aluminium Company Limited	24,893	37,402
Northern Electricity Distribution Company Limited	39,909	62,313
(ii) Rendering of services:		
Volta River Authority	1,989	3,949

Year end balances arising from transactions with related parties are as follows:

(a) Loans and advances due from related parties:

	2018	2017
Long-term portion of staff loan (note 14)	7,328	7,843
Short-term staff advances (note 16)	728	5,143
	8,056	12,986

(b) Receivables from related parties:

Electricity Company of Ghana	627,848	700,070
Volta Aluminium Company Limited	190,714	161,965
Northern Electricity Distribution Company Limited	176,458	132,772
	995,020	994,807

(c) Payables to related parties:

Volta River Authority (VRA)	386,597	335,525

(d) Compensation of key management personnel of the Company

Salaries, wages and termination benefits	13,196	13,328
Employers pension contribution	2,215	1,463
	15,411	14,791

NOTES (CONTINUED)

(All amount are in thousands of Ghana Cedis unless otherwise stated)

24. Donor support

Donor support represents grants from Agence Française de Développement (AFD) to support the construction of a 330 kilo-volts transmission line from Kumasi to Bolga to reinforce its network and a 225 kilo-volts interconnection from Bolga to Burkina Faso. These grants are included in non-current liabilities as 'deferred donor support' in the statement of financial position and are credited to income statements after the completion of the project on a straight-line basis over the expected lives of the related assets. The movement in donor support during the year is set out below:

	2018	2017
Balance as at 1 January	9,541	5,301
Receipts during the year	3,456	4,240
	12,997	9,541

25. Contract liabilities

Contract liabilities represents the unamortised portion of prepaid lease paid by a customer for a designated route segment of the Company's transmission grid.

The movement in Contract liabilities is set out below:

	2018	2017
As at 1 January	8,596	9,434
Addition	4,404	-
Credit to income statement	(648)	(838)
As at 31 December	12,352	8,596

The maturity analysis of Contract liabilities is set out below:

	2018	2017
Between 0 to 12 months (current)	922	629
Between 12 months to 18 months (non-current)	11,430	7,967
	12,352	8,596

26. Comparatives

Where necessary, comparatives have been presented to conform to presentation of the current year.

NOTES (CONTINUED)
(All amount are in thousands of Ghana Cedis unless otherwise stated)

27. Contingencies and commitments

(a) Guarantees and indemnities

As at 31 December 2018, the Company had the following guarantees and letters of credit:

	2018	2017
Guarantees:		
GCB Bank Limited	-	6,026
HSBC	-	17,544
Letters of credit:		
GCB Bank Limited	**29,410**	16,472
Ghana International Bank Limited	-	3,971
	29,410	44,013

(b) Contingencies

(i) Claims

There were no claims against the Company at the reporting date (2017: Nil)

(ii) Contingent liabilities

The Company acquired Value Added Tax (VAT) agency status in June 2017. It however does not charge output VAT on transmission services rendered. The output VAT accrued by the Company as at 31 December 2018 is GH¢138.01 million (2017: GH¢75.83 million).

(c) Commitments

Capital commitments at the balance sheet date is GH¢204 million (2017: GH¢622.37 million). This is in respect of the construction of transmission assets.

28. Events after the reporting period

There were no events after the reporting period, which could have had a material effect on the state of affairs of the Company as at 31 December 2018 and on the results for the year then ended which have not been adequately provided for and/or disclosed.

NOTES (CONTINUED)

(All amount are in thousands of Ghana Cedis unless otherwise stated)

29. Adjustment from changes in accounting policies

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

Balance sheet extract Assets	Note	At 31 December 2017 as originally presented	IFRS 9	IFRS 15	At 1 January 2018 restated
Trade and other receivables	a)	1,039,582	(388,675)	-	650,907
Equity					
Income surplus account	a)	841,886	(388,675)	-	453,211

Explanatory note

a) IFRS 9 trade receivable impairment assessment Opening balance adjustment

30. Other employee benefit obligation

The Company has long service award scheme for its employees as set out in Note 2.5.4. The award scheme is not funded. The movement in the liability arising from the scheme is set out below:

	2018	2017
At 1 January	**5,879**	-
Charge to income statement:		
Current service cost	**6,700**	5,879
Other:		
Benefits paid	**(3,692)**	-
At 31 December	**8,887**	5,879

The assumptions used in deriving the estimated liability as at 31 December 2018 includes a discount rate of 22.62% (2017: 22%). An increase/decrease in the discount rate by 1% with all other factors held constant will result in a decrease/increase in the liability by GH¢72,000 (2017: GH¢48,000).

PROXY FORM

I.. of ....

being a Member of the above-named Company hereby appoint ....of ....as our proxy to vote for us on our behalf at the 10th Annual General Meeting of the Company to be held at the .... on .... at .... and every adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your vote to be cast.

RESOLUTION	FOR	AGAINST
1. To receive and consider the Financial Statements for the year ended 31 December, 2018, together with the Reports of the Directors and Auditors thereon.		
2. To authorize Directors to re-appoint auditors to audit the 2019 Financial Statements and to fix the remuneration of Auditors.		

Signed this .... day of November, 2019

Shareholder's Signature..

NOTE

NOTE

NOTE

NOTE

NOTE