GRIDCo

Backbone to Power Delivery

GHANA GRID COMPANY LIMITED

Annual REPORT 2022

Contact DETAILS

Registered Office

Ghana Grid Company Limited
Off the Tema - Aflao Rd.
P.O. Box CS 7979, Tema, Ghana.
GK-0208-2247
(+233) (0) 30-3318700 / 3318790
gridco@gridcogh.com
www.gridcogh.com

Accra Area
P.O. Box CS 7979
Tema
accraarea@gridcogh.com
+233(0)30-331-8700
Ext 542

Tema Area
P.O. Box CS 7979
Tema
voltaarea@gridcogh.com
+233(0)30-331-8717

Prestea Area
P.O. Box 50
Prestea
presteaarea@gridcogh.com
+233(0)50-334-3672
+233(0)33-209-7617

Bolgatanga Area
P.O. Box BG 633
Bolgatanga
bolgatangaarea@gridcogh.com
+233(0)20-893-5403
+233(0)24-419-5597

Tamale Area
P.O. Box TM 1266
Tamale
tamalearea@gridcogh.com
+233(0)37-202-2236
+233(0)55-399-4369
+233(0)20-671-6428
+233(0)37-202-2513

Akosombo Area
P.O. Box AB 272
Akosombo
akosomboarea@gridcogh.com
+233(0)34-229-2878
+233(0)50-773-3930

Kumasi Area
P.O. Box KS 587
Kumasi
kumasiarea@gridcogh.com
+233(0)26-200-9009
+233(0)24-640-8885

Techiman Area
P.O. Box 369
Techiman
techimanarea@gridcogh.com
+233(0)35-219-7568
+233(0)35-219-4940

Takoradi Area
P.O. Box EF 226
Effia Takoradi
takoradiarea@gridcogh.com
+233(0)31-229-2201

Tafo Sub-Area
P.O. Box 47
Tafo
tafoarea@gridcogh.com
+233(0)50-773-3930
+233(0)34-229-2878

Dunkwaw Sub-Area
P.O. Box KS 587
Kumasi
dunkwawarea@gridcogh.com

Sunyani Sub-Area
P.O. Box 369
Techiman
sunyaniarea@gridcogh.com

Table of CONTENTS

Corporate INFORMATION

BOARD OF DIRECTORS

(As of December 31, 2022)

Ambassador Kabral Blay-Amihere	Chairman
Ing. Ebenezer Kofi Essienyi	Chief Executive/ Member
Nana Akyereako Adjabinti I (Nana Kofi Nti)	Member
Hon. Patricia Appiagyei	Member
Prof. Kwaku Appiah-Adu	Member
Ing. Stephen Akuoko	Member
Ms. Dzifa Amegashie	Member
Mr. Frederick Fredua Antoh	Member
Ing. Bernard Nii Sackey	Member

BOARD SECRETARY *(As of December 31, 2022)*

Mrs. Ama Benstiwa Haywood-Dadzie

JOINT AUDITORS

Deloitte & Touche1 (Ghana)
The Deloitte Place
Chartered Accountants
P. O. Box GP 453
Accra

Opoku, Andoh & Co.
Chartered Accountants
P. O. Box CO1364
Tema

BANKERS

1. Agricultural Development Bank PLC
2. Barclays Bank PLC
3. Bank of Africa Ghana Limited
4. CAL Bank PLC
5. Ecobank Ghana PLC
6. GCB Bank PLC
7. Ghana International Bank PLC
8. National Investment Bank Limited
9. Société Generale Ghana PLC
10. Stanbic Bank Ghana Limited
11. Standard Chartered Bank Ghana PLC
12. Universal Merchant Bank Limited
13. Zenith Bank Ghana Limited

Corporate PROFILE

Ghana Grid Company Limited (GRIDCo) was incorporated in December 2006 to carry out economic dispatch and transmission of electricity from facilities of Wholesale Suppliers to Bulk Customers and distribution utilities in Ghana and West Africa. The Company became operational in August 2008.

GRIDCo is licensed by the Energy Commission of Ghana to exclusively operate the National Interconnected Transmission System (NITS).

GRIDCo's mandate was amended to include the use of the Company's assets to provide commercial telecommunication services. The Government of Ghana is the sole shareholder of GRIDCo. The Company currently transmits electricity to thirty-one (31) Bulk Customers and Distribution Utilities from ten (10) Wholesale Suppliers.

Operations

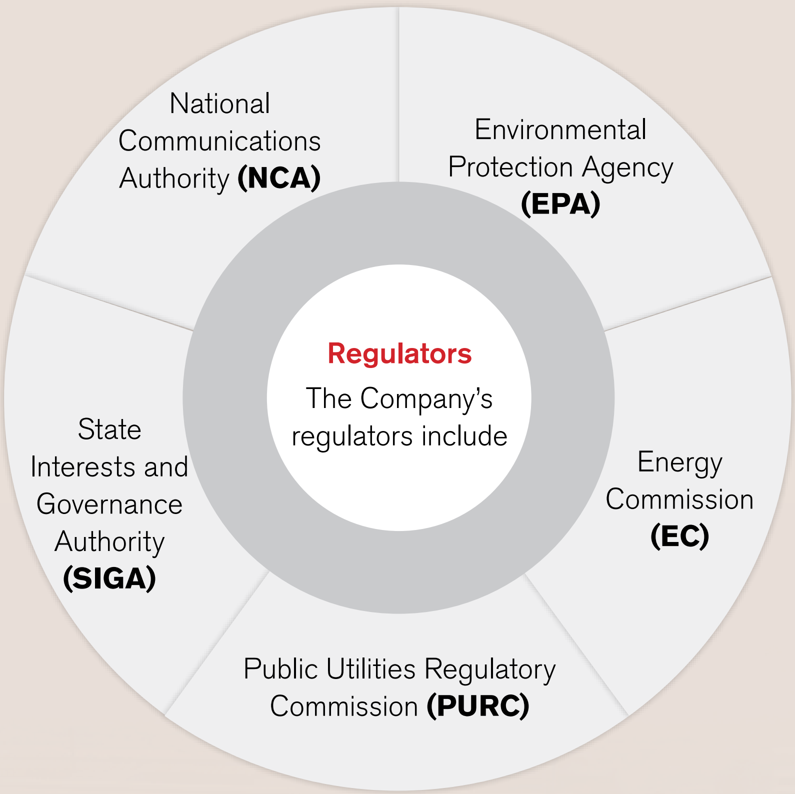
The Company maintains and operates about 6472.2 circuit kilometres of high-voltage transmission lines to wheel power from generating stations to sixty-nine (69) Substations or Bulk Supply Stations (BSPs). The interconnection of transmission lines, substations and generating stations forms the NITS. The transmission lines are operated at various voltages and these are 330kV, 225kV, 161kV and 69kV. The total transformation capacity at the end of 2022 was 9642.0 MVA.

Departments

GRIDCo operated under two functional (2) branches; Engineering and Operations, and Corporate Services which reported directly to the Office of the Chief Executive. The two branches were supported by ten (10) Directorates structured to ensure that corporate goals and objectives were accomplished in a cost-effective and sustainable manner. The Directorates under the Engineering and Operations Branches are Engineering, System Operations, Procurement, Technical Services, Southern Network and Northern Network Department. The Finance, Human Resources, Legal and Audit Departments were under the Corporate Services Branch.

Operational Areas

The Company maintains and operates the NITS through the Southern Network Department(SND) with five (5) Operational Areas located in Akosombo, Tema, Accra, Takoradi and Prestea and the Northern Network Department (NND) with four (4) Operational Areas located in Kumasi, Techiman, Tamale and Bolgatanga Areas.



Vision, Mission, MEDIUM-TERM GOAL

Vision

To be a model electricity grid company in Africa.

Mission

To provide a reliable grid for development.

Medium-Term Goal

To achieve 99.95% availability of the National Interconnected Transmission System with fully automated and integrated business processes.

Core Values (RISE & Care)

R **Responsiveness**

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

I **Integrity**

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

S **Safety**

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

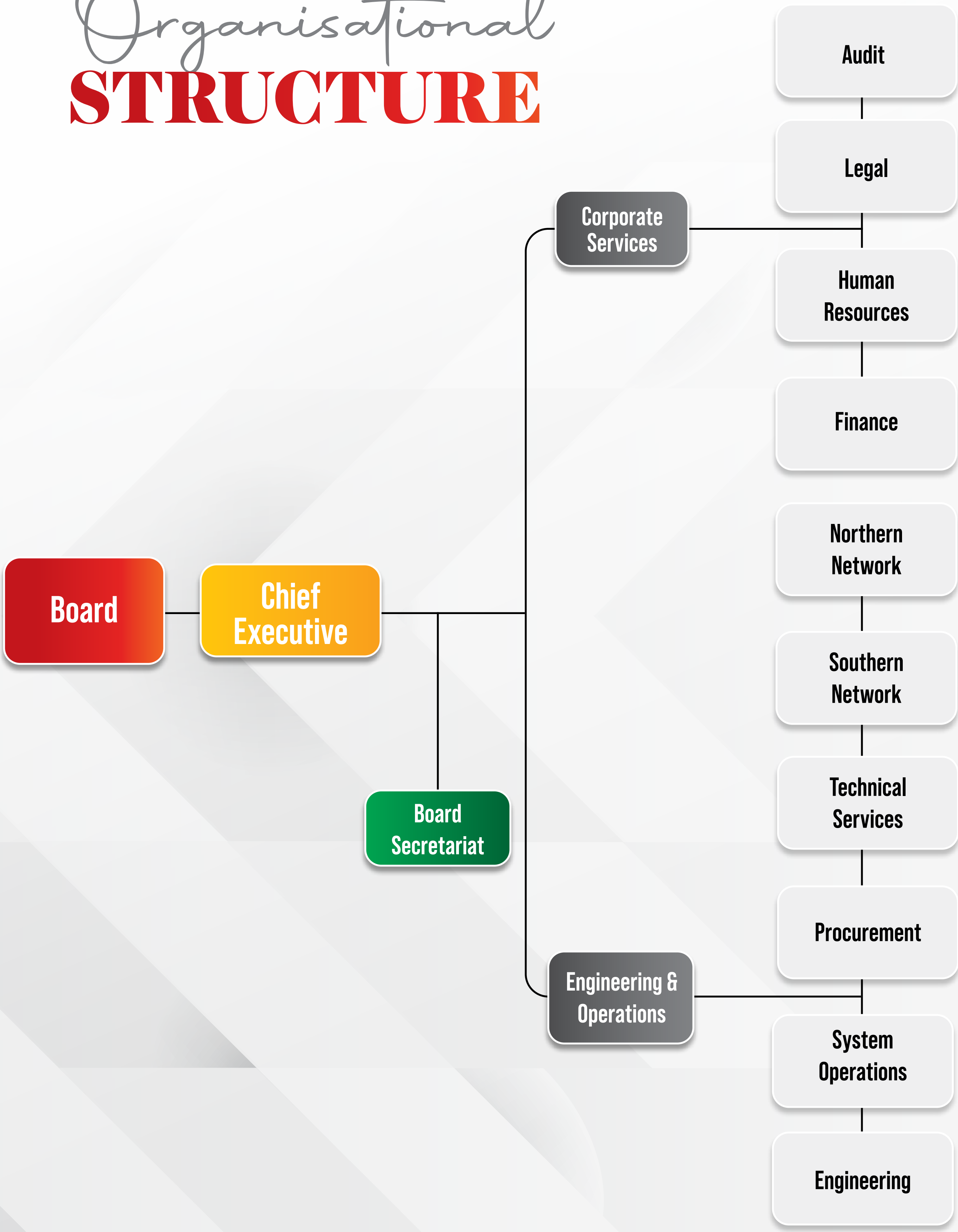
E **Excellence**

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

C **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.

Organisational STRUCTURE



MANDATE

1 To carry out the business of economic dispatch and transmission of electricity from facilities of wholesale suppliers to bulk customers or electricity distribution utilities in Ghana and West Africa without discrimination.

2 To acquire by purchase or otherwise construct, establish, manage, maintain and otherwise deal with all transmission facilities, works, buildings, conveniences and other systems necessary to transmit electric energy.

3 To undertake metering and billing of all power transfers in the National Interconnected System.

4 To carry out any general commercial activities related to the safe and reliable operation of the transmission system and the economic dispatch of electric energy.

5 To carry out general commercial telecommunication services using its transmission assets.

Corporate HIGHLIGHTS

Maximum Demand
3,469 MW

System Availability
99.26%
in 2022

Energy Transmitted
22,478GWh

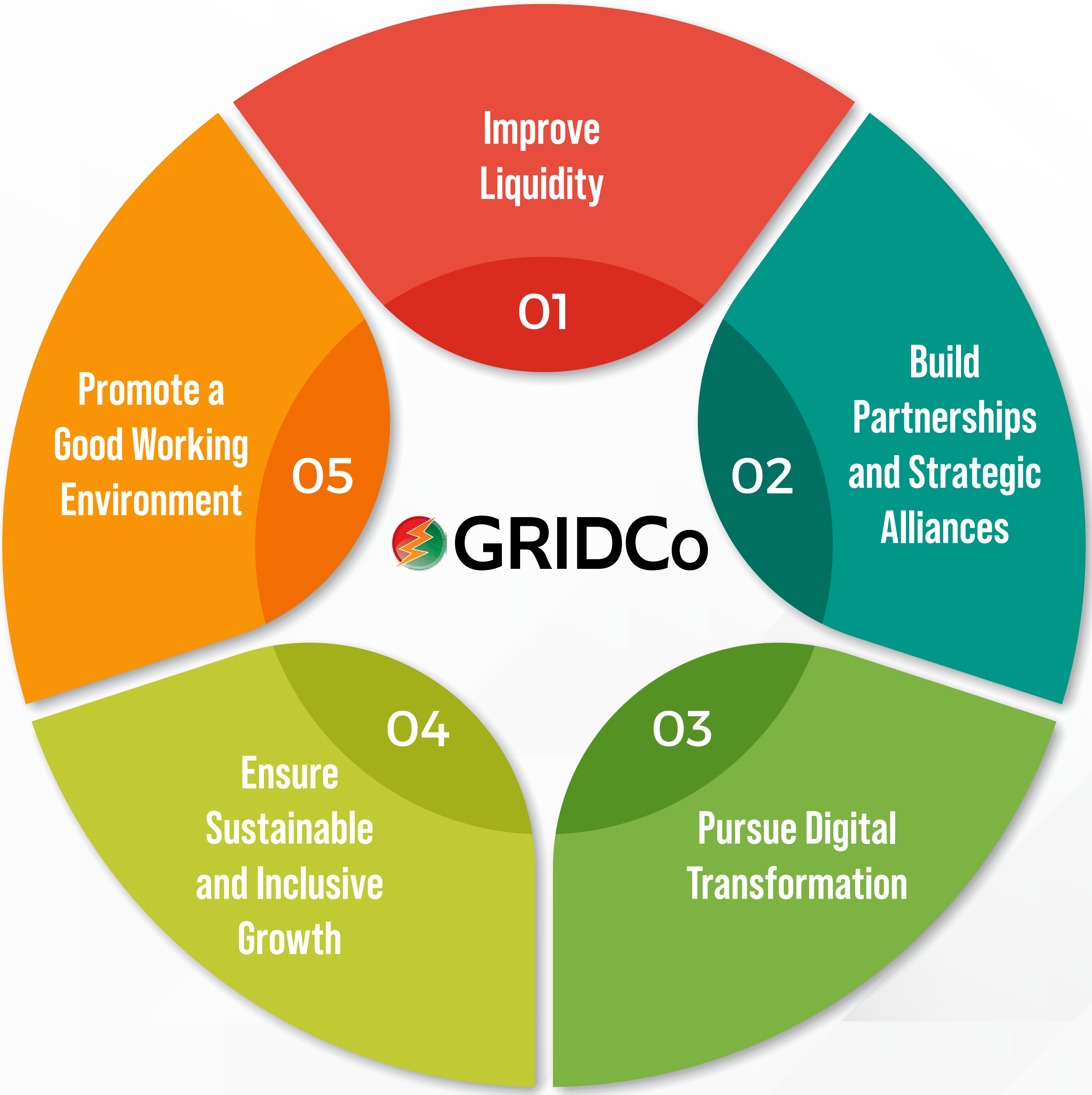
GRIDCo

Average growth in energy consumption
8%

Electricity Access
85.1%

Total Revenue
GH¢1,603.189
million

GRIDCo's Strategy



Corporate Governance STATEMENT

GRIDCo is a private limited liability company wholly owned by the Government of Ghana. The Company is guided in its operations by the State Interests and Governance Authority Act, 2019 (Act 990), Companies Act, 2019 (Act 992) and Public Financial Management Act, 2019 (Act 921) associated subsidiary legislation, Constitution of GRIDCo, the Board Charter relevant Governance Code and directives issued by Regulators.

A nine (9) member Board of Directors (Board) was appointed by the Shareholder in 2021 to oversee the structures and processes for the direction and control of the Company. The Board recognises that good corporate governance will lead to quality decision-making, encourage effective succession planning for senior management, and enhance the Company's sustainability.

GRIDCo's approach to corporate governance is based on a set of values that underpin our existence and are designed to promote transparency and the promotion of stakeholder interests, including our customers, our shareholders, our employees, our partners and our community. The process of identifying, developing and maintaining high standards of corporate governance is ongoing and dynamic, to reflect changes in the operating environment and new developments in corporate governance.

The Board

The Board is responsible for the overall leadership of the Company in order to achieve the company's strategic objectives and long-term success. The Board recognises its responsibility to consider the needs and concerns of all stakeholders as part of its decision-making processes. Through regular reporting from Management, the Board monitors and assesses the company's progress and results in the implementation of the company's vision and long-term strategic plan.

Through the governance framework, the Board fulfils its oversight role and deliberates with executive management over strategic direction, financial goals, resource allocation and mitigation of risks within various aspects of the business.

The Board reviews the Company's Management accounts and audited annual financial statements and assesses the quality of internal accounting control systems and reports produced by financial management.

Committees

The Board is assisted by its Committees, which are, the Industrial Relations & Compensation, Finance and Legal, Engineering & Operations, and Governance and Compliance Committees. The Committees are structured in a manner that is relevant to the current needs of the Company. Committee members are selected based on their experience and expertise in the specific area and offer appropriate attention and consideration for matters in those areas.

i. Industrial Relations and Compensation Committee

The Industrial Relations & Compensation Committee ensures that the human resources and remuneration arrangements support the strategic aims of GRIDCo and enable the recruitment, motivation and retention of staff. The Committee reviews proposals HR Strategy, remuneration and periodic reports on initiatives that impact performance.

ii. Finance and Legal Committee

The Finance and Legal Committee provides oversight, monitors and reports on the financial status and activities of the company and ensure that financial policies and practices are followed. The Committee also oversees and reviews significant legal matters of the Company and makes appropriate recommendations regarding these matters.

iii. Engineering and Operations Committee

The Engineering and Operations Committee assists the Board to ensure effective and efficient development and management of the NITS and successful implementation and execution of all corporate engineering projects. The Committee ensures that GRIDCo stays focused on the achievement of its primary mandate of electricity transmission and that performance targets on system performance are met.

iv. Governance and Compliance Committees

The Governance & Compliance Committee is responsible for providing oversight of the Board's governance system, with the objective of ensuring good governance, accountability, compliance and transparent decision-making processes, to ensure that the interests of all stakeholders are protected. The Committee is required to consider opportunities which strengthen and evolve the board's effectiveness, capacity and ability to lead the organisation into the future.

v. Audit Committee (Statutory Committee)

An Audit Committee established by Act 921 is constituted with three (3) independent members representing the Institute of Chartered Accounts, Ghana, and Internal Audit Agency and two (2) Board Members. The work of the Committee helps to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal control and monitor GRIDCo's compliance with applicable regulations and legislation. The Committee liaises with external auditors and considers Internal Audit reports and Risk Management Reports prepared by the Internal Audit Department and the Risk Management Committee respectively. Progress of implementation of recommendations are reported to the Board for decision-making.

Management

A twelve (12) member Management team applies the tone and governance principles set by the Board, based on the Company's values, to enable the creation of shared value for all GRIDCo's stakeholders. The Management team consists of experienced persons within the requisite qualifications and experience relevant to the business.

Management submits regular updates on the implementation of strategy, insights and feedback from key stakeholders. These allow the Board to review its strategy and provide effective oversight and also consider the perspectives of stakeholders. The Board tracks key information across all business functions, which permits the assessment and management of risks and associated controls.

Meetings

Board meetings are convened to deliberate on reports and proposals submitted mainly by the Chief Executive and the Committees. Where required, members of the Management team are invited to meetings to participate in deliberations, prior to decision-making. Meetings held in 2022 included four (4) Ordinary Board Meetings, four (4) Emergency Board meetings and twenty-eight (28) Board Committee and Audit Committee meetings.

Conflicts of interest

The Companies Act, 2019 (Act 992) requires directors to disclose to the Board any actual, potential or apparent conflicts of interest in the discharge of their duties and are required to keep these disclosures up to date. Any Director with a material personal interest in a matter being considered by the Board declares their interest and may not be present during any related boardroom discussions nor vote on the matter unless the Board resolves otherwise.

The Board requires all employees, consultants, contractors, suppliers, other associated persons to always act honestly and with integrity and to manage fairly all conflicts of interest. In formulating measures and procedures to manage such risks, the Board ensures that expenditure control limits, and disclosures are done. The Company has also issued a Code of Ethics to guide the conduct of the Board, staff, contractors and other stakeholders.

Ongoing learning and development

GRIDCo provides opportunities for Directors to undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their roles effectively, including participation in workshops and attendance at relevant conferences. Training activities are planned for each year. Conferences which were attended by Directors included those on development of emerging trends in energy in Africa, the CIGRE Biennial Session where energy experts deliberated on salient issues in the energy sector and training in Competitive Strategy.

Audit, risk and internal control

GRIDCo has a systematic and structured approach to risk management. Key risks and opportunities are primarily identified against business targets either in business operations or as an integral part of strategy and financial planning. Risk management covers strategic, operational, financial, compliance and hazard risks. Key risks and opportunities are analysed, managed and monitored as part of business performance management with the support of risk management personnel and the internal control function.

External audit

GRIDCo is audited jointly by Deloitte & Touche and Opoku, Andoh & Co. The Auditors present to the Audit Committee and Finance and Legal Committee, a detailed report on the conduct of the audit in the Company's Financial Statements, the findings on significant financial accounting and reporting issues, as well as an overview of issues found during the audit. The independence and transparency offered by the External Auditors work is key to the effective governance of the Company.

Stakeholder engagement

GRIDCo develops and maintains a strong relationship with its clients, employees, regulatory authorities and the community. The Company is aware of its responsibility towards all stakeholders and believes this is an important consideration for the long-term growth of its business. The Board understands the considerable value of its stakeholders and ensures that staff are continuously engaged.

GRIDCo works closely with energy industry participants such as the Ministry of Energy, Ministry of Finance, State Interests and Governance Authority (SIGA), Energy Commission and Public Utilities and Regulatory Commission (PURC) to address industry-wide issues and work towards long term solutions.

In addition to holding direct dialogue with local communities, the company implements various social, infrastructural and environmental projects based on local community needs.

The Board of Directors of GRIDCo continues to oversee the strategic direction of the Company to deliver sustainable shareholder value within a framework of prudent and effective risk and management controls.

Board of DIRECTORS
(as of December 31, 2022)

Amb. Kabral Blay-Amihere
Chairman

Ing. Ebenezer Kofi Essienyi
Chief Executive/Member

Nana Akyereako Adjabinti I
Member

Hon. Patricia Appiagyei
Member

Prof. Kwaku Appiah - Adu
Member

Ing. Stephen Akuoko
Member

Ms. Dzifa Amegashie
Member

Mr Frederick Fredua Antoh
Member

Ing. Bernard Nii Sackey
Member

Mrs. Ama Bentsiwa Haywood-Dadzie
Board Secretary

Chairman's STATEMENT

On behalf of the Board of Directors of GRIDCo, I am pleased to present a report for the 2022 Financial Year.

The initiatives and strategy for the year under consideration were geared towards supporting the Shareholder's energy needs, industrialisation drive and sustainability goals. Therefore the supply of reliable power to ensure economic development continues to be our focus.

FINANCIAL PERFORMANCE

The Board prioritised the creation of sustainable value for all stakeholders. The financial performance of GRIDCo in year 2022 indicated a Net Loss after tax of GH¢ 941.27m. The Net Loss compared unfavourably with a Net Loss of GH¢ 141.32m for the same period in 2021. This was due to higher Provision for Bad Debts and higher Exchange Loss on Loans. GRIDCo is building up payables because of high receivable balances from the Electricity Company of Ghana and Volta Aluminium Company Limited, which owed 89.32% of the receivables as of 31st December 2022.

The major challenge the Company faced was cash flow, which caused acute financial difficulties and impacted the ability to implement the Company's strategy comprehensively. The Board however, guided Management to adopt cost containment and debt collection strategies which contributed to an improvement in the financial performance of the Company.

GOVERNANCE

The Board recognised the need to enhance its oversight of GRIDCo's compliance with the legal, governance and regulatory requirements, directives and standards. The Board established the Governance & Compliance Committee and reconstituted the Finance Committee as the Finance and Legal Committee. As part of its functions, the Governance & Compliance Committee is required to ensure adherence to the Board Charter and facilitate annual evaluations to ensure that the Board, Committees and members can plan their activities with knowledge of the achievements, abilities, strengths and limitations of the board members. The Board ensured compliance through audits and internal controls and ensured that members of the Board were kept abreast of evolving governance standards.

PARTNERSHIPS AND STAKEHOLDER ENGAGEMENTS

In 2023, the Board sought to build strong relationships, communicate consistently, remain accountable and understand stakeholder needs and interests. We recognised that the long-term success of the company can only be guaranteed with constant interaction with stakeholders.

In March 2022, the Board and Management visited the Gas Processing Plant operated by the Ghana National Gas Company Limited (GNGC), at Atuabo, Western Region. The Board acknowledged the indispensable role that GNGC plays in the power sector and sought to explore prospects which will ensure that efforts are combined to deliver reliable and affordable power to consumers.

The Board also participated in a Corporate Governance Workshop organised by the Ministry of Finance for State owned enterprises in the Energy sector.

As part of efforts towards the implementation of the Ghana Wholesale Electricity Market (GWEM) and to enhance the understanding of the GWEM a workshop was organised in the Volta Region for Board and Management in March 2022.

On the basis of the 2021 Auditor General's Report, the

Board participated in a meeting with Board members and Chief Executives of Specified Entities with the Ministry of Finance, Ministry of Public Enterprises, SIGA, Accountant General, Public Procurement Authority and the President of Ghana, His Excellency Nana Akuffo Addo.

The Board considered new and innovative opportunities and partnerships in the export market and with the telecommunication assets to realise income and endorsed a partnership with Spectrum Fibre Ghana Limited to enhance revenues, particularly with the use of the Company's telecommunication assets.

APPOINTMENT OF DIRECTORS

In September 2022, three experienced engineers, namely Ing. Bernard Gyan, Ing. Frank Otchere and Ing. Nicholina Yembilah were appointed as Heads for the Technical Services, System Operations and Procurement Departments, respectively. These appointments were made in the light of impending retirements of Management team members, namely Ing. Daniel Amartey, Ing. John Afriyie and Ing. George Nipah. Appointments into these positions were based on business need, qualification, experience and knowledge of the candidate.

KEY PROJECTS

The Board continuously pursued the timely implementation of transmission projects as this had a great impact on the economic growth and development of the country, quality of life, technological advancement and safety and health.

We oversaw the initiation, continuation and completion of major Projects, to improve the reliability and resilience of the grid. These Projects included the Kasoa Bulk Supply Point and the re-construction of a 24km section of the 161kV Konongo - Kumasi Transmission Line. These projects would contribute significantly to the domestic and external supply of electricity, to meet increasing demand.

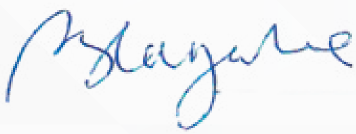
The 330kV Kumasi-Bolgatanga Transmission Line was also commissioned by the President of the Republic of Ghana.

It is expected that important projects approved by the Board, such as the upgrade of the Corporate Telecommunications and SCADA Network Manager System and the Telecommunications Network will be implemented within time and budget, to improve reliability of power and efficiency of operations.

OUTLOOK

I would like to thank my fellow Board members for their well-considered and robust counsel and guidance during these challenging times. The Chief Executive and Management offered good support. I am grateful to all the employees of GRIDCo who continue to perform their services assiduously to enable the achievement of GRIDCo's mandate.

On behalf of the Board, I wish to extend our thanks to the Shareholder, Customers and all Stakeholders for the unwavering support as we continue to strive to be the model transmission utility in Africa.



AMB. Kabral Blay-Amihere
CHAIRPERSON

Management TEAM

(as of December 31, 2022)

Ing. Ebenezer Kofi Essienyi
Chief Executive

Ing. Daniel Amar Amartey
Advisor to the Chief Executive

Ing. Vincent Boachie
Director, Engineering

Ing. Samuel Nkansah
Director, Finance

Ms. Florence Agyei
Director, Human Resource

Mr. Richard Ntim
Director, Internal Audit

Mrs. Monica Nana Ama Senanu
Director, Legal Services

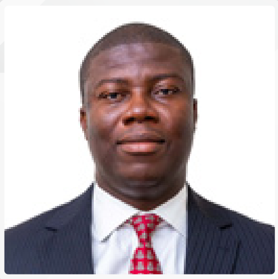
Ing. Benjamin Kingsford Ntsin
Director Northern Network

Ing. Nicholina N. N. Yembilah
Director Procurement

Ing. Mark Baah
Director, Southern Network

Ing. Frank Otchere
Director, System Operations

Ing. Bernard Gyan
Director, Technical Services



Mr. Samuel Kow Acquah
Ag. Director, Office of the Chief Executive

Chief Executive's REPORT

Dear Shareholder,

It is my privilege to present the progress GRIDCo made for the year ended December 31, 2022, based on the vision, mission, values, and strategic objectives of our Company. The focus for the year under review was on advancing sustainability, enhancing operational efficiency, and ensuring reliable power supply.

HUMAN RESOURCE, TRAINING & DEVELOPMENT

The foundation of GRIDCo's operations and business is its Human Capital. Our people continuously demonstrate the needed technical and professional expertise critical for achieving the company's mandate to provide a reliable grid for development.

Management has consistently prioritised maintaining positive industrial relations. Similar to previous years, the favourable working environment experienced in 2022 was nurtured through transparency and the rapport that prevails between Management and the leaders of our staff groups.

Following the expiration of the Biennial agreement, GRIDCo's Collective Agreement (CA) with the Public Service Workers Union (PSWU) of the Ghana Trades Union Congress (GTUC), and the Conditions of Service between Management and the Senior Staff Association (SSA) were individually re-negotiated in 2022. These negotiations aimed to establish and pursue reasonable adjustments in salary levels and other benefits for the respective staff groups.

Both staff groups elected new executive officers who would lead the respective groups for varying durations. The Divisional Union selected its officers for a four-year term. Mr. Francis Adjartey was re-elected the Chairman of the Union while the Senior Staff Association, on the other hand, elected Mr. Wisdom Adenyo as the new President of the SSA, with a two-year tenure.

To guarantee the sustainability of GRIDCo and fully realise potential of staff, a number of initiatives were undertaken to identify key areas of improvement, enhance staff morale and boost productivity of our operations. An Employee Engagement Survey (EES) Project was successfully completed in 2022, which provided insights into leadership and staff engagement levels. These findings now serve as a guide for further capacity-building measures aimed at developing multiskilled workforce to meet both medium to long-term objectives. In 2022, eight hundred and twenty-four (824) employees across GRIDCo participated in various training programmes.

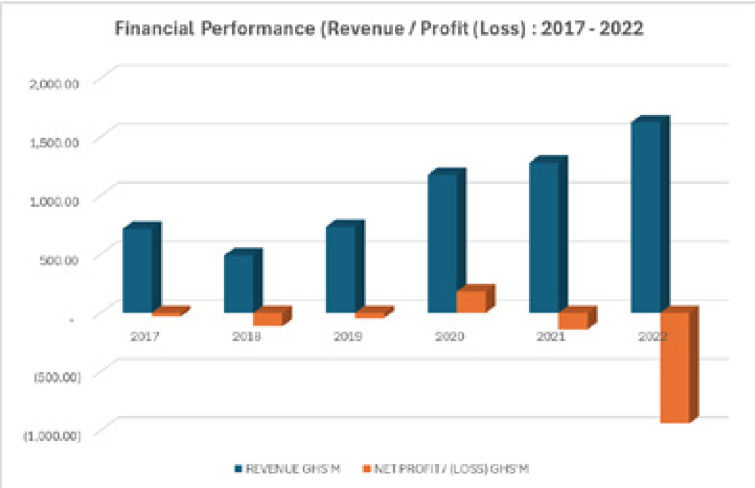
FINANCIAL PERFORMANCE

GRIDCo's focus for the financial year 2022 was to ensure a robust transmission network system, business sustainability and efficient revenue management. Our policies were focused on the implementation of cost-effective measures and processes, targeted at operational and financial efficiencies.

As of the end of the financial year - December 31, 2022 - the energy transmitted (less losses and substation use) was 21,545 GWH, compared to 20,390 GWH transmitted in 2021, leading to 5.7% growth.

Total revenue amounted to GH¢ 1,622.324million compared to GH¢ 1,278.768 million in 2021, representing an increase of 26.87%. The increase recorded stems from a 29.21% rise in regulatory tariffs for consumers, and a marginal increase in energy transmitted due to high electricity demand.

REVENUE AND NET PROFIT (2017 - 2022)



A net loss after tax of GH¢ 941.272 million was incurred during the year under review, compared to a loss of GH¢ 141.329 million in the 2021 financial year, representing a 566% reduction over the previous year. The loss position was mainly due to a high impairment expense on trade receivables from related parties and an exchange loss incurred on forex loans.

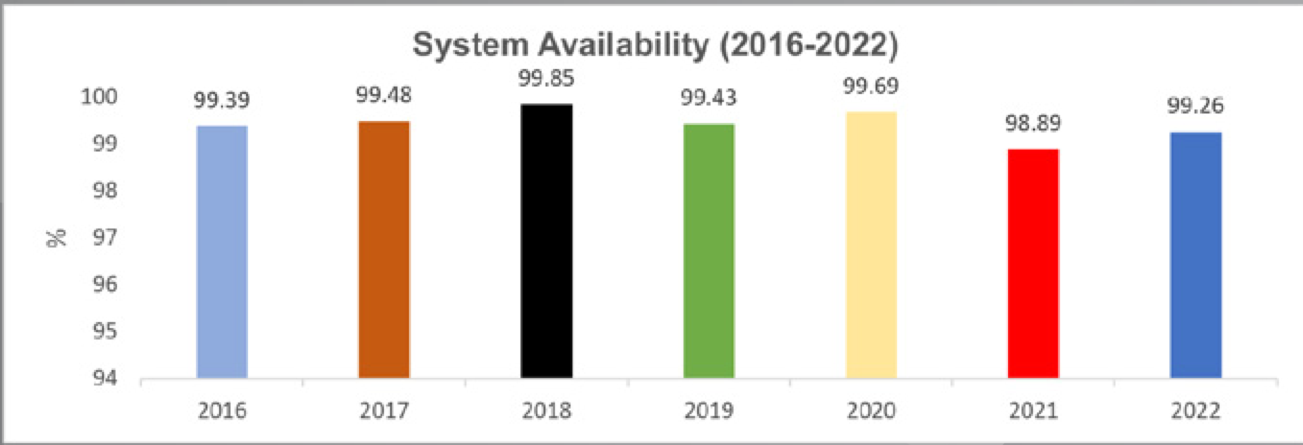
As of December 31, 2022, the outstanding indebtedness due from related parties amounted to approximately GH¢ 3,155.204 million compared to GH¢ 2,531.789 million in the prior year resulting in a growth of 24.6%. The increasing build-up of our receivables has gravely impacted on the Company's finances and operational efficiency.

The Public Utilities Regulatory Commission (PURC) adjusted the transmission service charges (TSC) upwards from 6.0398 Gp/Kwh to 7.909 Gp/Kwh. The transmission loss threshold set by PURC remained unchanged at 4.1%.

POWER TRANSMISSION

The total energy transmitted in 2022 was 22,478.46 GWh, representing a 4.72% growth over the 2021 consumption of 21,466.24 GWh.

The Ghana Power System, over the past 5 years recorded an average growth in energy consumption of 8%. In 2021, energy consumption increased by 8.87% compared to 2020, which aligns with the growth trend. However, in 2022, energy consumption grew marginally at only 4.72% (1,012.22 GWh) over that of 2021. This can be attributed to the lower GDP (3.22%) recorded at the end of year 2022.



SYSTEM AVAILABILITY (2015 - 2022)

The graph above shows that the overall availability of the National Interconnected Transmission System (NITS) has remained relatively stable over the years, with an intermittent downward trend in 2019 and 2021. Nonetheless, there was some slight improvement in 2022 with the system's availability increasing from 98.89% in 2021 to 99.26% in 2022. This 0.37% improvement suggests that the NITS performed better in 2022 than in the previous year.

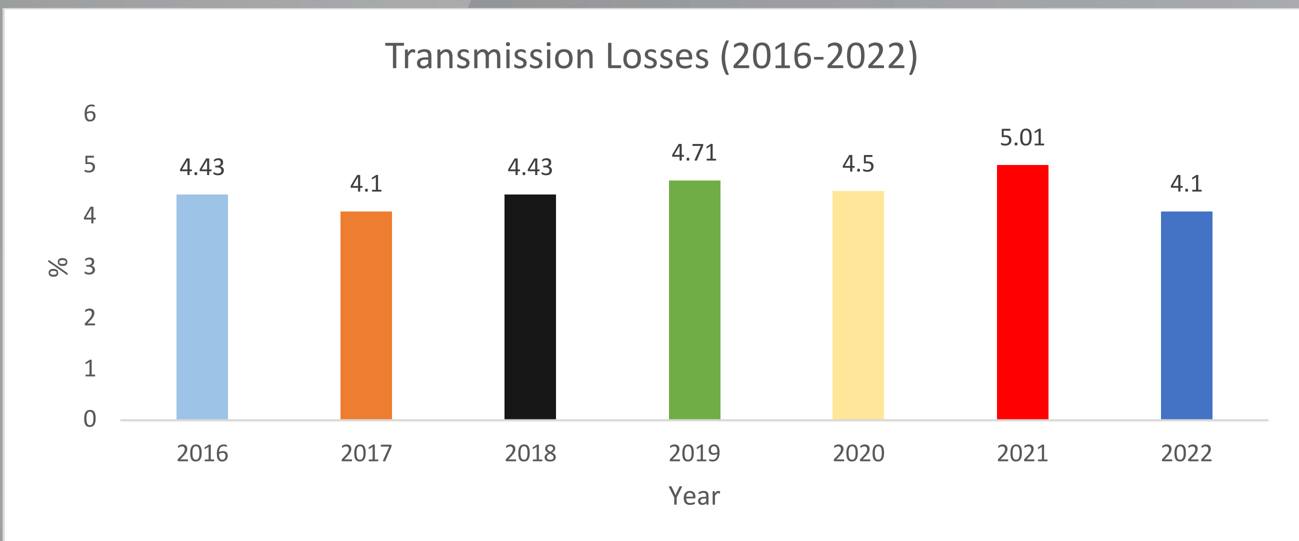
This notwithstanding, the NITS experienced sixteen (16) major system disturbances in the year under review. Seven (7) of these disturbances were caused by interruptions in the supply of natural gas.

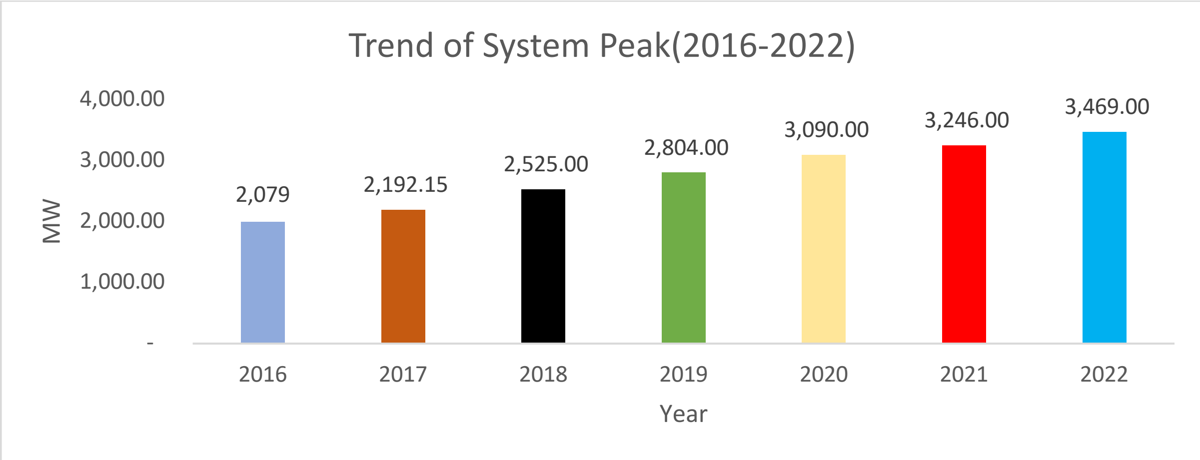
TRANSMISSION LOSSES

Remarkably, the NITS, in 2022, recorded a 22.20 percentage (%) reduction in transmission losses compared to the previous year, (i.e., from 5.01% in 2021 to 4.1% in 2022) showcasing our unwavering commitment to improving energy delivery to our customers. The reduction in transmission losses was due to abundant inflows of water into the Bui dam, which facilitated the optimum operation of all the three units of the plant daily.

Indeed, meeting the PURC's benchmark of 4.1% is a significant accomplishment, as it signifies cost savings for GRIDCo, for the first time since 2016. This accomplishment is one that GRIDCo seeks to sustain and continue while increasing customer satisfaction and efficiency with the NITS.

GRIDCo prioritises sustainable energy delivery and customer satisfaction in its operations. With the Board's guidance, Management will continue to invest in modern innovation and technology, infrastructure, and skilled personnel to ensure that reliable and efficient power transmission services are provided to our customers.





SYSTEM PEAK DEMAND

Based on the graph above, it is evident that our system's peak has consistently grown over the years, with a significant increase of 66.93% from 2016-2022, culminating in a peak of 3,469 MW in 2022. This growth rate is a testament to the reliability and quality of services that we have provided to our customers over the past seven years.

Furthermore, the achievement can be attributed to our dedicated team of professionals, who work tirelessly to ensure that our customers receive uninterrupted power supply throughout the year. Strategic investment in infrastructure, especially 330kV lines, also contributed significantly to improving system reliability.

ACCESS TO ELECTRICITY

According to the Energy Commission's 2023 Ghana Energy Statistics Handbook, access to electricity has consistently improved over time. A 2.02% increment was recorded from 87% as of December 2021, to 88.8% the same period in 2022. This afforded Ghana to maintain its position among the top ten African countries with an electricity access rate of more than 70%.

KEY ENGINEERING PROJECTS

Key projects completed in the year included:

- 161kV Volta – Achimota – Mallam Transmission Line Upgrade Project
- The MIDA funded 161/34.5kV Kasoa Bulk Supply Point
- Stringing of Optical Ground Wire (OPGW) Cables for various sections of GRIDCo's NITS

2022 – 2027 MAJOR TARIFF PROPOSAL

The 2022 – 2027 Major Tariff proposal was submitted to the PURC. Importantly, the team participated in the PURC's nationwide Stakeholder Engagements and presentations to various stakeholders on the Tariff Proposal. It also prepared and approved the publication of GRIDCo's 2022-2027 Tariff proposal in the dailies.

OCCUPATIONAL HEALTH AND SAFETY

Maintaining our commitment to Health and Safety regulations remained a top priority. We consistently guided staff, contractors, and all individuals associated with GRIDCo, emphasising the paramount importance of being safety conscious. All contractors needed to conduct their tasks in strict accordance with the specified safety regulations.

COVID-19 MANAGEMENT STRATEGY

The impact of the COVID-19 pandemic had significantly diminished by mid-year 2022. Nevertheless, Management remained committed to upholding the established World Health Organisation (WHO) Health and safety protocols among other measures to effectively handle the pandemic. This ongoing effort encompassed sustained awareness campaigns and the vaccination of staff across all work locations.

In the year under review, the Health and Safety (H&S) Unit, in conjunction with the GRIDCo Health Centre, COVID-19 screening sessions were conducted for three hundred and twenty-six (326) staff members in the Takoradi, Prestea, Bolgatanga, Tamale, Techiman, Sunyani Sub and Kumasi Areas.

Additionally, the H&S Unit liaised with the HR Department to monitor the rate of new COVID-19

cases. They also ensured that all National Service Persons (NSPs) undertook mandatory COVID-19 tests before taking up postings to their respective work locations.

ENTERPRISE RESOURCE PLANNING (ERP)

Since its operationalisation in 2021, the Enterprise Resource Planning (ERP) System has streamlined numerous processes, making them more efficient and expedient. This enhancement has empowered staff to independently initiate and monitor various self-service requests, including those related to transportation, procurement, finance, claims and leave days.

An Asset Management Module will be integrated into the ERP System to enhance the efficiency of our operations.

ROW EDUCATIONAL ACTIVITIES

The Board and Management of GRIDCo maintain an unwavering resolve to clear the Right of Way (RoW) from encroachments across the NITS and restrict access to unauthorised persons. As part of this initiative, Management toured sections of the transmission lines in Accra, Kumasi and other locations to ascertain the severity of the RoW encroachments. This assessment has reinforced our determination to address the RoW issues through a series of deliberate actions, including preventing the unauthorised construction of structures within the RoW.

Led by our RoW Team, GRIDCo successfully facilitated the education of squatters residing along the 161kV Anwomaso—Kumasi (AW1K) transmission line which facilitated their movement away from the corridor to make way for the commencement of an upgrade and reconstruction work on the line. Additionally, evictions were conducted along the transmission corridors close to the Prestea Area Office which were under threat of galamsey. During this period, the Security and RoW Protection Unit conducted regular patrols along selected sections of the grid to safeguard these areas.

Engagements were held with key stakeholders, including community leaders in Asawinso to educate them on the hazards associated with encroachments on the RoW. As part of these engagements, a team worked with illegal miners operating near the 161kV Asawinso—Juaboso (AS2JB) line, urging them to cease their activities and reclaimed all abandoned mining pits. Similar collaborations were held with the Municipal Chief Executive (MCE) and other stakeholders in Dunkwa/Asawinso areas to stop the illegal miners activities close to transmission towers.

Furthermore, illegal miners operating under the 161kV Konongo — Kumasi (J2K) and 161kV Nkawkaw — Anwomaso (N2AW) transmission lines heeded our calls to cease their work and adequately covered all dugouts within the RoW. I am delighted to report that all pits within the RoW were successfully covered by August 16, 2022.

Additionally, the Right of Way Protection and Security Unit participated in a RoW awareness campaign to encourage encroachers along the 161kV Kumasi to Konongo transmission line to relocate, thereby facilitating the smooth progress of reconstruction efforts. The team also supervised the demolition of unauthorised structures under the ROW at various locations in the Greater Accra Region.

GHANA WHOLESALE ELECTRICITY MARKET (GWEM) PROJECT

In the period under consideration, Mercados Aries International (MAI), the Spanish consulting firm leading the development of the Market Rules, spearheaded the revision of the Rules. The revised document was submitted to the Energy Commission for further review and approval.

To facilitate the implementation of a Capacity Market, with the support of the System Operations Department, a dedicated team of ten (10) multidisciplinary staff, was constituted to develop assumptions for calculating the cost of new entry for generating facilities, a key requirement for the Capacity Market creation.

GRIDCo is actively advancing the Ghana Wholesale Electricity Market (GWEM) Project, aimed at ensuring equitable, transparent, and non-discriminatory procurement and dispatch of electricity from Wholesale Suppliers to Bulk Customers and Distribution Companies. The GWEM will be governed by Market Rules crafted by the Electricity Trading Unit (ETU) and approved by the Energy Commission. This comprehensive GWEM Project encompasses the development of Market Design, Market Rules, an Implementation Plan, and Systems Requirements Specification.

OUTLOOK FOR 2023

In the year ahead, collectively, we will continue to invest in critical projects to strengthen National Interconnected Transmission System (the NITS). The expansion of the grid with additional substation projects, transmission line and telecommunications infrastructure, will enhance our operations and services delivery. MiDA funded projects such as the Kasoa and Pokuase BSPs not only increased our capacity but guarantee power supply reliability and voltage improvements within the immediate localities around the Bulk Supply Points (BSP'S).

Management remains committed to reducing transmission losses on the NITS and will continue to collaborate with strategic partners to ensure a stable and robust national transmission grid. I must state, none of what has been achieved so far would be attainable without the unwavering support from the Government, our regulators, and our development partners. To them, I extend a depth of gratitude.

The financial stability of the Company has faced challenges over the years, primarily due to non-cost-reflective tariffs. However, we remain hopeful that cost-reflective tariffs will be implemented to support and expedite the completion of crucial transmission projects.

Management remains unwavering in our commitment to delivering secure, reliable, and cost-effective power service delivery to our cherished customers, both domestically and in the Sub-Region to Cote d'Ivoire, Burkina Faso, Benin, Togo and beyond. This is in line with the ECOWAS vision and Ghana continues to play a leading role among the WAPP member countries.

It is essential to mention that none of this would be possible, without the dedication and professionalism of our staff, who consistently rise to the occasion and meet the needs of our customers.

CONCLUSION

On behalf of Management, I express my profound gratitude to the Board, Staff and our partners for their immense support in 2022.

Ing. Ebenezer Kofi Essienyi
CHIEF EXECUTIVE

Corporate Social RESPONSIBILITY INITIATIVES

GRIDCo's commitment to responsible business practices extends beyond profitability to a deep commitment to sustainability, social responsibility, and ethical governance. GRIDCo implements its Corporate Social Responsibility (CSR) Initiatives based on its core values of Responsiveness, Integrity, Safety, Excellence (RISE) and CARE to engender goodwill for the company and its operations in addition to securing the support of communities where GRIDCo works.

The objective is for GRIDCo to identify, support and execute actions that promote GRIDCo as a sustainable business which impacts the communities within which it operates for the long-term. GRIDCo's strategic and sustainable CSR aligns with Ghana's development agenda focusing on areas such as Education and Health. As GRIDCo holds various bilateral partnerships with international financing agencies, GRIDCo is deliberate in ensuring its CSR Initiatives and Donations to strategic partnerships connect with the United Nations Sustainable Development Goals (UN-SDGs).

During the year 2022 , GRIDCo's CSR focused on its thematic areas of Health, Education and Community/ Stakeholder engagements. These initiatives are undertaken in alignment with the UN Sustainable Development Goals to support the government's implementation agenda.

HEALTHCARE

Healthcare is a critical area because the productivity and sustainability of GRIDCo is dependent on a strong work-health relationship. Therefore, GRIDCo seeks to support hospitals (tertiary institutions) of which staff are beneficiaries. To give true meaning to GRIDCo's commitment to healthcare improvement in areas where it operates, the company donated two (2) surgical drills to the Trauma and Orthopaedics Centre of the Korle Bu Teaching Hospital in the Greater

Accra Region (GAR) worth a total amount of GH₵10,500.00.

One of GRIDCo's critical operational areas is the Western Region (WR) which hosts a number of substations with high staff numbers. GRIDCo deemed it fit to support the St. Matin De Porres Hospital in Eikwe, in the WR by donating one (1) surgical bed and one (1) maternity bed to the hospital with a total value of GH₵30,000.00.

GRIDCo's contribution to health needs of these hospitals is in tandem with its values of RISE and Care as well as the SDG 3 which strives for the good health and well-being of all.

EDUCATION

Education is transformational in the lives of many which ultimately impacts the development of nations. GRIDCo's operations and business leverages on skilled professionals in both the technical and non-technical areas. For GRIDCo, supporting education is a strategic approach to growing Ghana's human capital base from early childhood education to tertiary (and professional) levels.

In line with the strategy to support educational programs in all of GRIDCo's nine (9) operational areas dubbed, *"Nine4Nine"* education initiative, GH₵30,000.00 was disbursed to the Asueyi Community Day Care School in Techiman for the provision of teaching and learning materials in 2022. GRIDCo is considering the renovation of a dilapidated kindergarten school building in the near future.

GRIDCo's interest in Science, Technology, Engineering and Maths (STEM) education is to support Ghana's drive to improve the quality of STEM education at both the second cycle and tertiary levels. Thus, GRIDCo provided a significant contribution of GH₵100,000.00 to Ghana National College, Cape Coast, to support the construction of a science laboratory block which would improve practical science teaching and learning.

The 2021/2022 National Service Personnel (NSPs) working in GRIDCo in alignment with GRIDCo's CSR Initiatives, sought to give back

to society. The GRIDCo 2021/2022 NSP group identified limited water access as a pressing need at the Rising Star Orphanage in Dodowa. Collaborating with the Management of GRIDCo, the 2021/2022 NSP group procured and installed a 7000-liter water reservoir for the orphanage which houses up to 80 children and staff. The GRIDCo 2021/22 NSPs also mobilised resources from the group with which they procured food stuff, mattresses and other items for donation to the Rising Star orphanage at Dodowa in the Greater Accra Region.

As a power sector utility tasked with providing a reliable grid for development, GRIDCo strategically engages and collaborates with the Ministry of Energy to achieve its goals. To enhance the operations of the Ministry's front office, GRIDCo renovated the front office area to enhance their operations and create a positive environment for all local and international guests who engage at the Ministry offices.

In an effort to further strengthen the already existing cordial relationship with the Southern Command of the Ghana Armed Forces, GRIDCo donated a 55 inch television set for official use.

GRIDCo also supported the 2022 Women in Energy (WiE) Conference with an amount of GH₵150,000.00, fostering partnerships and driving engagement among women professionals in the energy sector.

GRIDCo also donated GH₵20,000.00 to an NGO, "Future of Africa", an organisation working to improve the lives of street youth in Accra.

Operational REPORT

Telemetry Project

Major activities carried out in 2022 under the Project, included the creation of a new Test Environment for Converge Application, which incorporated the installation of a main Converge Servers at Tema with back-ups installed at Kumasi and four other related key installations. Oracle and Converge applications were also installed on servers provided by GRIDCo. The existing production (PROD) Converge was also upgraded to the latest version. Additional activities undertaken included the standardisation of all energy meter parameters; station audits to synchronise and firm-up meter mapping on 'Converge' with Station configurations as well as, new connections to the Kasoa, Accra Central, Afienya, Asiekpe, Aboadze 330kV, Kintampo 330kV, Anwomaso 330kV, Obotan, Bawku and Zebilla substations. Ten more meters are to be installed.

On-going activities include the development and implementation of one (1) bi-directional interface to ERP system and one (1) push interface to GRIDCo MIS Telemetry App.

Soon-to-be commenced activities include the engagement of a Global System for Mobile Communications (GSM) service provider for international GSM Simcards for GSM connections outside Ghana (Tie-Line Meters outside Ghana); the extension of Converge Meter and backup connectivity Licenses; connecting all outstanding Energy Meters and the provision of back-up connections to all PLC and Fibre stations.

SCADA Activities

Various activities, including routine and planned maintenance works were carried out during the year under review. Out of a total of 70 RTUs and Gateways, 69 (except the New Abirim substation) underwent annual routine maintenance in the SCADA system network. During the exercise, specific works were performed at the respective substations.

The SCADA Network Manager System (NMS) Thin Client was restored to service. A cable was laid from the SCC server room to the Communication room, linking the Thin Client server to the corporate network firewall.

Significantly, the Company received support from the Hitachi Technical Support team to successfully synchronise the Utility Data Warehouse (UDW) 01 with the UDW 02. Hitherto, the disk space of the UWD server was overloaded, leading to frequent malfunctioning of the servers. However, since the successful synchronisation exercise a lot of space has been freed, thereby reducing the retention period for data archiving, from 90 to 45 days; facilitating the server to work satisfactorily.

Besides, the system data of all Network Manager System (NMS) servers and workstations were also backed up unto an external drive.

New stations & signals integrated into the SCADA network included the Kasoa substation, where pre-commissioning point-to-point tests for SCADA signals from the substation to the System Control

Centre with the onsite SCADA commissioning Engineer were successfully done. Similar exercises were carried out on the Konongo transformer No. 2, the Wa substation, and the Adubiyili substations.

The backup gateway for the Kpone Collector Substation and the commissioning of transformer No. 4 at the Asiekpe were among other key activities pursued during the period.

System Maintenance

Following standard operating procedures, for the maintenance of transmission assets, all transmission assets in the NITS were duly maintained in 2022. The Average percentage planned maintenance accomplishment was 99.74% as against the Public Utilities Regulatory Commission's (PURC) target of 95.00%. Refreshingly, the average percentage transformer availability was also 99.78% as compared to the performance target of 99.20%. Related activities undertaken to reinforce the integrity of the System were: substation and transmission line inspections; overhauling of transformers, reactors and feeders; tests on capacitor banks.

Equally important was the clearing of high vegetation undergrowth within spans of various transmission lines. Ground Patrols were also conducted along 6472.2 km circuit kilometres of various transmission lines. Security Patrol were conducted along various transmission lines to ascertain acts of tower vandalism and Right-of-Way (ROW) encroachment. Conducting Tower Audit and Climbing Maintenance on several towers along various transmission lines was yet another critical exercise during the period under review.

Status of Communication Networks

The Average Preventative Maintenance Accomplishment of the Southern Telecom Network Operations (STNO) Section of the Southern Network Department (SND) was 99.60% compared to the regulatory target of 95.00%.

Engineering PROJECTS

Embarking on engineering projects is critical to GRIDCo's expansion of the National Interconnected Transmission System (NITS). Undertaking projects are also to meet key performance targets which guarantee safety, reliability, and stability of the national grids. To improve the robustness of the grid, and improve power supply reliability, a number of crucial projects were commenced or completed in 2022.

COMPLETED

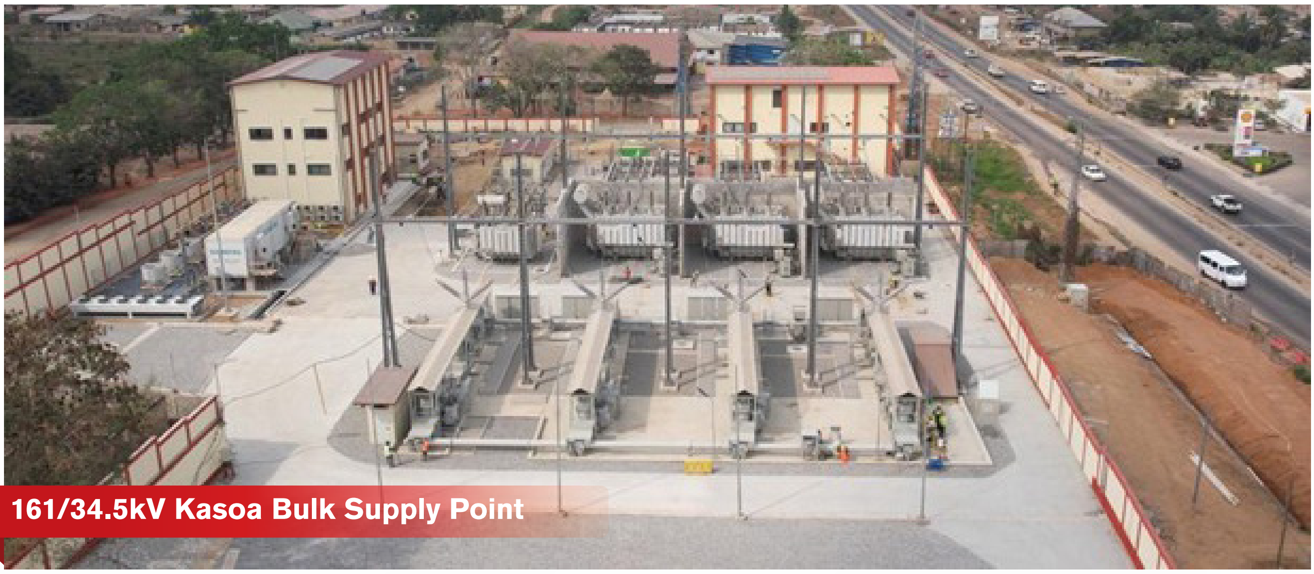
161kV Volta – Achimota – Mallam Transmission Line Upgrade Project

Contractors: Sieyuan-SEPCO JV and Transrail Lighting Limited

Cost: Lot 1: USD 11,500,000.00
Lot 2: USD 4,643,950.50

Financier: Agence Française de Développement (AFD)

Project Brief: The Project involved the reconstruction of the existing 161kV Transmission Lines from Volta through Achimota to Mallam substations, to enhance power transfer capacity to the major load centre of Accra as well as reduction in excessive loading and associated losses due to the increase in generation at Kpone Thermal, Cenpower, Sunon Asogli and AKSA Power Plants in the Tema generation enclave. All the existing single circuits rated 170MVA were upgraded into double-circuit transmission lines equipped with Twin Bundle Tern conductors with ratings of 488MVA per circuit.



161/34.5kV Kasoa Bulk Supply Point

Contractor: Siemens France

Cost: USD 42,800,000.00

Financier: Millennium Development Authority (MiDA) under the Millennium Challenge Corporation (MCC) Compact.

Project Brief: The Project involved the construction of 161/34.5kV GIS Bulk Supply Point (BSP) at Kasoa. The substation was equipped with 3No. 161/34.5kV, 145MVA Power Transformers and associated Ghana Insulated Switchgear (GIS) facilities to supply power to the Electricity Company of Ghana (ECG). The project commenced on January 31, 2020 and was completed in February 2022.

ONGOING

Reconstruction of 24km Section of 161kV Konongo – Kumasi Transmission Line

Contractor: Energy Ventures Limited

Cost: USD 5,681,394.69 plus GH¢ 26,109,426.15

Financier: GRIDCo

Project Brief: The works under the project cover the reconstruction of the existing 24km Section of the single circuit 161 kV Kumasi - Konongo (J2K) line into a double circuit twin tern (488MVA) line using the existing corridor. The Contract has been awarded to Energy Ventures Ghana Limited (EVL).

The contract was awarded and Engineering designs commenced in 2022.

The re-construction of the 24km J2K transmission line will facilitate the upgrade of the 161kV Anwomaso-Kumasi (AW1K) transmission line to be funded with EU grant facility. The upgraded 161kV J2K line section will ensure continuous reliability of power supply to Kumasi during the construction period.

Replacement of Volta Control Room Mimic Panels and Bus-Bar Protection System

Contractor: Power Commissioning and Installation (PCIS)

Cost: USD 729,149.00.

Financier: GRIDCo

Project Brief: The project includes the replacement of the Volta Control Room Mimic Panels and Bus-Bar Protection System.

The contract was awarded and work commenced in the year 2022.

The Project will replace the burnt, Control Mimic Panels and defective Bus Bar Protection System. This will improve the reliability and security of the protection, control and monitoring in the Volta Control Room.

Supply of 4 No. 161/34.5kV, 120/145MVA Power Transformers

Contractor: Elsewedy Transformers

Cost: USD6,613,050

Financier: GRIDCo

Project Brief: The project covers the design, manufacturing, testing, supply and installation of 4Nos. 161/34kV, 120/145MVA, Power Transformers at various substations.

The Contract became effective on September 6, 2022. Elsewedy continued with the preparation of Engineering Designs.

The transformers to be displaced will be reinstalled at substations with highly loaded transformers. This will help improve the N-1 criteria in the NITS.

Emergency Procurement of 2No. 330/225kV 200/250MVA Power Transformers

Contractor: Baoding Tianwei Baobian Electric Co., Ltd (BTW)

Cost : USD 6,232,000.00

Financier: GRIDCo

Project Brief: The project includes the design, manufacturing, testing, supply and transportation of 2No. 330/225kV, 200/250 Autotransformers with phase shifting capabilities to Nayagnia Substation.

The Contract became effective on December 15, 2022. BTW continued with the preparation of engineering designs.

The two autotransformers when installed will improve reliability and quality of power supply to SONABEL.

Bulk CUSTOMERS

AS OF DECEMBER, 2022

1. Adamus Gold Limited
2. Akosombo Textiles Ltd
3. Aluworks Limited
4. Anglogold Ashanti Ltd.
5. Asanko Ghana Ltd
6. Compagnie Energie Electique du Togo (CEET)
7. Communauté Electrique du Bénin (CEB)
8. Diamond Cement
9. Drillworx Ghana Limited
10. Earl Gold Mine
11. Electricity Company of Ghana (E.C.G.)
12. Enclave Power Company
13. Ghana Cons. Diamond
14. Ghana Water Company Limited
15. Golden Star Resources - Bogoso
16. Golden Star Resources - Wassa
17. Gold Fields Ghana Ltd.
18. New Century Mines
19. Newmont Ghana Gold Ltd.
20. Newmont Golden Ridge Ltd.
21. Northern Electricity Distribution Company Ltd. (NEDCo)
22. Owere Mines
23. Perseus Mining Company
24. Sankofa Gold Ltd.
25. Savana Diamond Cement
26. Société Benioise de Energie Electrique (SBEE)
27. Société Nationale d'électricité du Burkina Faso (Sonabel)
28. Sonabel/Youga Mine
29. TV3
30. Volta Aluminium Company Ltd. (VALCo)
31. VRA Township

List of GENERATORS

1. AKSA Energy Limited
2. Sunon Asogli Power (Gh) Ltd
3. Bui Power Authority
4. CENIT Energy Ltd
5. Cenpower Plant
6. Early Power Ltd.
7. Karpowership Ghana Company Limited
8. Twin City Energy
9. TAQA Generation International Operating Co. LLC
10. Volta River Authority (VRA):
    a. Takoradi 1-TAPCO Thermal Power Plan (TAPCo)
    b. TICo - Takoradi 2 Thermal Power Plant ("TTPP")
    c. Tema Thermal 1 Power Station (TT1PP)
    d. Tema Thermal 2 Plant (TT2PP)
    e. Kpone Thermal Power Station (KTPP)
    f. AMERI Power Plant

GLOSSARY

1.	**BPS**	- Bulk Supply Points
2.	**EC**	- Energy Commission
3.	**EPA**	- Environmental Protection Agency
4.	**ERP**	- Enterprise Resource Planning
5.	**GRIDCo**	- Ghana Grid Company Limited
6.	**IPPs**	- Independent Power Producers (* or wholesale suppliers)
7.	**kV**	- Kilo Volts
8.	**MVA**	- Megavolt-Amperes
9.	**MW**	- Mega Watts
10.	**MiDA**	- Millennium Development Authority
11.	**NCA**	- National Communication Authority
12.	**NITS**	- National Interconnected Transmission System
13.	**NND**	- Northern Network Department
14.	**No.**	- Number / Quantity
15.	**OPGW**	- Optical Ground Wire
16.	**PPEs**	- Personal Protection Equipment
17.	**PURC**	- Public Utilities Regulatory Commission
18.	**SIGA**	- State Interests and Governance Authority
19.	**SND**	- Southern Network Department
20.	**STNO**	- Southern Telecom Network Operations
21.	**WAPCo**	- West Africa Gas Pipeline Company
22.	**WAPP**	- West Africa Power Pool

Report of the DIRECTORS

The Directors present their report and the financial statements of Ghana Grid Company Limited ("GRIDCo" or "the Company") for the year ended 31 December 2022.

Statement of directors' responsibilities

The directors are responsible for the preparation and the presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as the directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing those financial statements, the directors are required to:

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

The directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

Nature of business

The Company is authorised to undertake the economic dispatching and transmission of electricity from facilities of wholesale suppliers to bulk customers and distribution utilities in Ghana and West Africa. The Company is also authorised to undertake telecommunication services in the country whereby the excess capacity of the Company's fibre lines is leased out to telecommunication companies.

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

Shareholders

The Company is wholly owned by the Government of Ghana. The Government of Ghana is represented by the Ministry of Finance and the Ministry of Energy in its dealings with the Company.

Financial statements/business review

The financial results of the Company for the year ended 31 December 2022 are set out in the financial statements, highlights of which are as follows:

	2022	2021
	GH¢'000	GH¢'000
(Loss)/profit before tax	**(805,548)**	1,296
Loss after tax	**(941,272)**	(141,329)
Total assets	**8,611,235**	7,222,466
Total liabilities	**5,724,699**	4,444,405
Total equity	**2,886,536**	2,778,061

Going concern

The directors of the Company have made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that cast significant doubt about the company's ability to continue as a going concern.

Therefore, the financial statements continue to be prepared on the going concern basis.

Dividend

The directors did not recommend any dividend for the year ended 31 December 2022 (2021: GH¢ Nil).

Appointment of board of directors

During the year under review, no new board of director was appointed.

Particulars of entries in the interests register during the financial year

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Corporate Social Responsibility

In the year under review, GRIDCo's CSR focused on the areas of Health, Education and Community/ Stakeholder engagement in alignment with the SDG's 3, 4 and 17 respectively.

GRIDCo demonstrated its commitment to healthcare improvement by donating two surgical drills worth GH¢10,500 to the Trauma and Orthopedic Centre of Korle Bu Teaching Hospital. It also donated a surgical bed and maternity bed worth GH¢30,000 to St. Martin De Porres Hospital in Eikwe, Western Region.

In terms of education, a donation of GH¢30,000 was made to Asueyi Community Day Care School in Techiman for the provision of teaching and learning materials, GH¢100,000 to Ghana National College, Cape Coast, to support the construction of a science laboratory block, and GH¢20,000 provided as corporate support to Future of Africa, an organization working to improve the lives of street youth in Accra.

With regards to Community and stakeholder engagement, GRIDCo donated a 55" television set to the Ghana Armed Forces, for official use. It also sponsored the 2022 Women in Energy Conference with GH¢150,000, fostering partnerships and engagement in the energy sector.

Finally, GRIDCo extended support to the 2021/2022 National Service Personnel by procuring and installing a 7000-liter poly tank and donating assorted items to the Rising Star Orphanage in Dodowa.

Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the Company's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Company operates. Programmes of strategic and other reviews, together with the other training programmes provided during the year, ensure that Directors continually update their skills, knowledge and familiarity with the Company's businesses. This further provides insights about the industry and other developments to enable them effectively fulfil their role on the Board.

Joint auditors

The joint auditors, Deloitte and Touche and Opoku, Andoh & Co., have expressed their willingness to accept appointment, pursuant to Section 39(5) of the Companies Act, 2019 (Act 992).

The audit fee payable to the auditors is GH¢360,000 (2021: GH¢300,000).

Approval of the report of the directors and the financial statements

The report of the directors and the financial statements were approved by the board of directors on 11 March 2024 and signed on their behalf as follows:

Amb. Kabral Blay-Amihere	**Ing. Ebenezer K. Essienyi**
Name of Director	Name of Director
…………………………	…………………………
Signature	Signature
11/03/2024	11/03/2024
Date	Date


GHANA ENERGY AWARDS 2022
AWARDS CERTIFICATE
ENERGY COMPANY OF THE YEAR - POWER
This is to Certify That
GHANA GRID COMPANY
is The Winner Of The Above Category.
GHANA GRID COMPANY
ANNIVERSARY
GHANA GRID COMPANY
ENERGY COMPANY OF THE YEAR - POWER


The Institute of Internal Auditors Ghana
APPRECIATION AWARD
GRIDCo
The Institute of Internal Auditors (Ghana) gratefully acknowledges your
PLATINUM
sponsorship for the 2022 Annual National Internal Audit & Governance Conference held from May 5 – 6, 2022 in Accra, Ghana.
May 6, 2022


GhIE 2022
&52
INSTITUTIONAL SUPPORT TO GhIE
Presented to
GHANA GRID COMPANY LIMITED
in recognition of your continuous support to GhIE activities
March, 2022


Presented to
THE GRID COMPANY OF GHANA
to mark the beginning of a great & lasting relationship between Gridco Ghana and the
UGANDA ELECTRICITY TRANSMISSION COMPANY LTD.

Independent Auditor's REPORT

To the Shareholders of Ghana Grid Company Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Ghana Grid Company Limited, set out on pages 52 to 103, which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, the notes to the financial statements including a summary of significant accounting policies and other explanatory disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of Ghana Grid Company Limited as at 31 December 2022 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

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

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, which we obtained prior to the date of this auditors' report date; and the Chief Executive's Report, Report on Corporate Governance, Corporate Social Responsibility Report, Operational Report and Report on Engineering Projects, which are expected to be made available to us after that date, 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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 that we obtained prior to the date of this auditor's report, we conclude that if 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 the requirements of the Companies Act, 2019 (Act 992) 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 Company's financial reporting process.

Auditors' responsibilities for the audit of 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 judgment 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 detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on other legal and regulatory requirements

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion:
    - proper books of accounts have been kept by the company, so far as appears from our examination of those books.
    - the information and explanations given to us, were in the manner required by Act 992 and give a true and fair view of the:

a. statement of financial position of the company at the end of the financial year, and
b. statement of comprehensive income for the financial year.

3. The company's statement of financial position and statement of comprehensive income are in agreement with the accounting records and returns.

4. We are independent of the company, pursuant to section 143 of Act 992

The engagement partners on the audit resulting in this independent auditors' report are **Emmanuel Martey (ICAG/P/1476)** and **Peter Opoku (ICAG/P/1402)**.

Deloitte & Touche

For and on behalf of Deloitte & Touche
(ICAG/F/2024/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu - Accra
Ghana

18th March, 2024

Opoku Andoh & Co.

For and on behalf of Opoku, Andoh & Co.
(ICAG/F/2024/053)
Chartered Accountants
P. O. Box CO 1364, Tema
SDA 8, Community 5
Tema
Ghana

18th March, 2024

AUDITED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	2022	2021
		GH¢'000	GH¢'000
Revenue	8	**1,622,324**	1,278,768
Direct costs	9	**(570,230)**	(387,412)
Gross profit		**1,052,094**	891,356
Other income	10	**300,504**	28,184
Impairment loss on trade receivables	36(b)(ii)	**(1,223,398)**	(655,372)
General and administrative expenses	13	**(222,597)**	(171,334)
Operating profit		**(93,397)**	92,834
Finance costs	14	**(731,521)**	(98,816)
Finance income	15	**19,370**	7,278
(Loss)/profit before taxation		**(805,548)**	1,296
Income tax expense	16(a)	**(135,724)**	(142,625)
(Loss)/profit for the year		**(941,272)**	(141,329)
Other comprehensive income:			
Items that will not be classified to profit or loss:			
Revaluation of property, plant and equipment and intangible assets	18(b)	**1,649,031**	430,698
Remeasurement of defined benefit liabilities	27(b)	**(65,803)**	19,483
Related tax	16e	**(533,481)**	(111,331)
Other comprehensive income, net of tax		**1,049,747**	338,850
Total comprehensive income		**108,475**	197,521

The accompanying notes on pages 57 to 103 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2022

	Notes	2022	2021
Assets		**GH¢'000**	**GH¢'000**
Non-current assets			
Property, plant and equipment	**17**	**7,023,219**	5,485,651
Intangible assets	**18**	**20,890**	5,106
Other receivables	**19**	**22,195**	13,458
		7,066,304	5,504,215
Current assets			
Inventories	**20**	**40,316**	14,013
Trade and other receivables	**21**	**872,783**	1,198,932
Prepayments	**34**	**8,132**	11,006
Cash and cash equivalents	**22**	**623,700**	494,300
Total current assets		**1,544,931**	1,718,251
Total assets		**8,611,235**	7,222,466
Equity and liabilities			
Equity			
Stated capital	**23**	**1,010,870**	1,010,870
Revaluation reserve	**25**	**2,192,689**	1,236,667
Other reserves	**27b**	**(46,320)**	19,483
Retained earnings	**24**	**(270,703)**	511,041
		2,886,536	2,778,061
Liabilities			
Non-current liabilities			
Employee benefits obligations	**27(a)**	**145,692**	75,368
Contract liabilities	**32**	**27,186**	29,867
Deferred tax liabilities	**16(d)**	**924,496**	418,254
Loans and borrowings	**26(a)**	**1,823,859**	1,445,343
Deferred donor support	**31**	**26,011**	22,920
		2,947,244	1,991,752
Current liabilities			
Contract liabilities	**32**	**2,122**	747
Current tax liabilities	**16(b)**	**607,365**	458,431
Loans and borrowings	**26(a)**	**227,481**	244,677
Employee benefits obligations	**27(a)**	**17,436**	4,521
Trade and other payables	**28**	**1,845,625**	1,596,304
Provisions	**29**	**77,426**	147,973
Total current liabilities		**2,777,455**	2,452,653
Total liabilities		**5,724,699**	4,444,405
Total equity and liabilities		**8,611,235**	7,222,466

Amb. Kabral Blay-Amihere	**Ing. Ebenezer K. Essienyi**
Name of Director	*Name of Director*
____________________	____________________
Signature	*Signature*
11/03/2024	11/03/2024
Date	*Date*

The accompanying notes on pages 57 to 103 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Stated capital	Retained earnings	Other reserves	Revaluation reserve	Total equity
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
31 December 2022					
Balance at 1 January 2022	1,010,870	511,041	19,483	1,236,667	2,778,061
Total comprehensive income for the year					
Loss for the year	-	(941,272)	-	-	(941,272)
Other comprehensive income for the year:					
Revaluation of property, plant and equipment and intangible assets (Note 17 & 18)	-	-	-	1,649,031	1,649,031
Remeasurement of defined benefit liabilities (Note 27b)	-	-	(65,803)	-	(65,803)
Related tax (Note 16e)	-	-	-	(533,481)	(533,481)
Total comprehensive income for the year	**-**	**(941,272)**	**(65,803)**	**1,115,550**	**108,475**
Transfer to retained earnings	-	159,528	-	(159,528)	-
Balance at 31 December 2022	**1,010,870**	**(270,703)**	**(46,320)**	**2,192,689**	**2,886,536**
31 December 2021					
Balance at 1 January 2021	1,010,870	582,811	-	986,859	2,580,540
Total comprehensive income for the year					
Loss for the year	-	(141,329)	-	-	(141,329)
Other comprehensive income for the year:					
Revaluation of property, plant and equipment and intangible assets (Note 17 & 18)	-	-	-	430,698	430,698
Remeasurement of defined benefit liabilities (Note 27b)	-	-	19,483	-	19,483
Related tax (Note 16e)	-	-	-	(111,331)	(111,331)
Total comprehensive income for the year	-	(141,329)	19,483	319,367	197,521
Transfer to retained earnings	-	69,559	-	(69,559)	-
Balance at 31 December 2021	1,010,870	511,041	19,483	1,236,667	2,778,061

The accompanying notes on pages 57 to 103 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Notes	2022	2021
		GH¢'000	GH¢'000
Cash flows from operating activities			
(Loss)/profit after tax		**(941,272)**	(141,329)
Adjustments for:			
Depreciation of property, plant and equipment	**17**	**264,291**	163,746
Amortisation of intangible assets	**18**	**3,503**	2,524
Exchange difference in borrowings	**26(b)**	**683,347**	43,164
Interest expense	**26(b)**	**30,244**	25,067
Interest income on call accounts	**15**	**(19,370)**	(7,278)
Impairment loss on trade receivables	**36(b)(ii)**	**1,223,398**	655,372
Profit/(loss) on disposal of property, plant and equipment	**17**	**(138)**	27
Actuarial gains/(loss)	**27(b)**	**(65,803)**	19,483
Corporate tax adjustment	**16(b)**	**5,984**	-
Income tax expense/(credit)	**16(a)**	**135,724**	142,625
		1,319,908	903,401
Operating cash flow before movement in working capital			
Changes in inventories	**20**	**(26,303)**	1,660
Changes in other receivables	**19**	**(8,737)**	(5,926)
Changes in trade and other receivables	**21**	**(897,249)**	(566,586)
Changes in trade and other payables	**28**	**249,322**	202,442
Changes in prepayments	**34**	**2,874**	(5,653)
Changes in contract liabilities	**32**	**(1,306)**	1,179
Changes in employee benefits obligations	**27**	**83,239**	1
Changes in provisions	**29**	**(70,547)**	764
Cash generated from operating activities		**651,200**	531,282
Tax paid	**16(b)**	**(20,013)**	(3,741)

STATEMENT OF CASH FLOWS (cont.)
For the year ended 31 December 2022

	Notes	2022	2021
		GH¢'000	GH¢'000
Net cash generated from operating activities		**631,187**	527,541
Cash flows from investing activities			
Interest received on call accounts	**15**	**19,370**	7,278
Purchase of property, plant and equipment	**17**	**(171,453)**	(139,609)
Proceeds from sale of property, plant and equipment	**17**	**318**	76
Purchase of intangible assets	**18**	**(842)**	-
Net cash used in investing activities		**(152,607)**	(132,255)
Cash flows from financing activities			
Proceeds from donor support	**31**	**3,091**	1,010
Loan drawdown	**26(b)**	**51,503**	360,829
Principal repayment of loans and borrowings	**26(b)**	**(281,145)**	(508,308)
Interest on loans capitalised	**26(b)**	**39,400**	138,670
Payment of interest on borrowings	**26(b)**	**(162,029)**	(149,630)
Net cash used in from financing activities		**(349,180)**	(157,429)
Net increase in cash and cash equivalents		**129,400**	237,857
Cash and cash equivalents at 1 January	**22**	**494,300**	256,443
Cash and cash equivalents at 31 December	**22**	**623,700**	494,300

The accompanying notes on pages 57 to 103 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. Reporting entity

Ghana Grid Company Limited (GRIDCo) ("the Company") is incorporated in Ghana as a limited liability Company 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. These are the individual financial statements of the Company.

2. Basis of preparation and accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019 (Act 992).

Basis of measurement

The financial statements are prepared on the historical cost basis except for property, plant and equipment and intangible assets that have been measured at revalued amounts and employee benefit obligations that have been measured at the present value of future benefits to the employees.

3. Functional and presentation currency

These financial statements are presented in Ghana Cedis (GH¢), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 27 measurement of defined benefit obligation: key actuarial assumptions;

Note 36(b)ii - measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions in determining the weighted average loss rate.

Notes 29 and 35 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(a) Indexation revaluation of property, plant and equipment

In line with international best practice, it has been the Company's policy to have its assets revalued by independent, professional valuers every five years. However, in order to avoid sudden significant changes in the value of the assets base, and consequently in the return that the Company is covenanted to achieve for

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

both the International Lending Agencies and the Government of Ghana, an indexation model was developed to approximately mark the asset values to market in the years between full physical and independent valuations.

The composite index used for the annual revaluation is therefore based on the premise that the Company's assets base increases by the general price levels in the US Dollar and translated into Ghanaian cedi terms for financial reporting. The computation of a composite index is based on the exchange rate between the GH¢ and the US dollar, and the annual CPI in the US. The assumption underlying the selection of the US inflation base is that the Company's assets base is about 85% foreign currency procured from the United States, Europe and Asia (China) where price levels are fairly stable or increase marginally. The Company, thus, applied the assumption that the US inflation rates fairly represents the general price levels for foreign purchases made.

(b) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in determining fair values is included in Note 36 - financial instruments.

5. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except if mentioned otherwise.

5.1 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical costs in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency gains and losses are generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

5.2 Revenue from contracts with customers

Revenue is recognised when control of the promised services is transferred to the Company's customers in an amount that reflects consideration the Company expects to be entitled to in exchange for these services.

The Company generates revenue primarily from the transmission of power and the leasing and maintenance of fibre optic cables.

Further information about the Company's accounting policies relating to contracts with customers is provided in Note 8c.

5.3 Finance income and expenses

The Company's finance income and finance expenses include:

- interest income on funds invested or held in bank accounts
- borrowing costs not qualified for capitalisation
- foreign currency gain or loss on financial assets and financial liabilities
- finance cost on employee benefit obligation

Interest income and expense is recognised, as it accrues in profit or loss, using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.4 Financial instruments

(i) Recognition and initial measurement

Trade and other receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

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 noncurrent assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Cash and cash equivalents include cash, bank deposits, and other short-term highly liquid investments with an original due date of three months or less. Bank overdrafts are included in the statement of financial position as current liabilities.

Cash and cash equivalents presented in the statement of financial position comprise cash on hand, cash at bank adjusted for reconciling items and highly liquid investments with maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

On initial recognition, a financial asset is classified as measured at amortised cost. These financial assets comprise trade and other receivables, amounts due from related parties and cash and cash equivalents.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Financial assets - Assessment whether contractual cashflows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual paramount a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at amortised cost - Subsequent measurement and gains and losses

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. These financial liabilities comprise trade and0 other payables amounts due to related parties, bank overdrafts and loans and borrowings recognised initially on the date at which the Company becomes a party to the contractual provision of the instrument.

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Impairment of financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. This is calculated based on actual credit loss experience over the preceding three years on the total balance of non-credit-impaired trade receivables. The Company's credit loss experience has shown that aging of receivable balances is primarily due to negotiations about variable consideration.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due. Historical evidence demonstrates that there is no correlation between a significant increase in the risk of default on financial assets and payments on them being more than 30 days past due, but there is such a correlation for financial assets on which payments are more than 60 days past due.

The Company considers a financial asset to be in default when:

the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

5.5 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

5.6 Property, plant and equipment

5.6.1 Recognition and measurement

Items of property, plant and equipment are initially recognised at cost and subsequently measured at revalued amount less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

The surplus on revaluation is transferred to retained earnings as the relevant revalued assets is used. The amount transferred is the difference between depreciation based on the revalued carrying amount of the

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

asset and depreciation based on the asset's original cost. When revalued assets are retired or disposed off, the amounts included in revaluation reserve are transferred to retained earnings.

Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Spare parts and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

5.6.2 Subsequent cost

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

5.6.3 Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives of each asset. Freehold land is not depreciated.

Depreciation is charged in the year in which an asset is acquired or a capital work-in-progress is available for use. The estimated useful lives for the current and comparative years of significant items of major classes of depreciable property, plant and equipment are as follows:

Asset class	Useful life (years)
Transmission assets	30 – 45
Leasehold land	30 – 60
Buildings	40
Motor vehicles	4 – 10
Computers	4 – 5
Miscellaneous plant & office equipment	4 – 8

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' or 'general and administrative expenses' in the statement of comprehensive income. When revalued assets are retired or disposed off, the amounts included in revaluation surplus are transferred to retained earnings.

5.6.4 Capital work in progress

Property, plant and equipment under construction are stated at initial cost and depreciated from the date the asset is available for use over its estimated useful life. Cost of capital work-in-progress includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Assets are transferred from capital work-in-progress to an appropriate category of property, plant and equipment when they become ready for its intended use.

5.7 Intangible assets

Intangible assets are shown at fair value, based on valuations by management on a monthly basis and by external independent valuers every five years, less subsequent amortisation and any subsequent impairment losses.

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

Additionally, accumulated amortisation as at the revaluation date 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 license.

5.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

For impairment testing, assets are grouped together into the smallest group of assets that generated cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of the asset is the greater of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of the asset or CGU exceeds its recoverable amount.

All impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.9 Inventories

The Company's inventories consist of consumables. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

5.10 Share capital (stated capital)

Proceeds from issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects are recognised as a deduction from equity.

5.11 Borrowing cost

Borrowing costs are recognised, as an expense, in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the entity and that the costs can be measured reliably.

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.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

5.12 Provisions

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that financial settlement will take place as a result of this obligation, and the amount can be reliably estimated.

If the time effect is considerable, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised in profit or loss as finance cost.

5.13 Grants and donor support

Grants and donor support related to assets are initially recognised as deferred income at fair value if there is

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognised in profit or loss in the periods in which the expenses are recognised.

Donated assets from customers without conditions are measured at fair value of the assets and the resulting income recognised in profit or loss once such transfers become receivable.

5.14 Income tax

Tax expense comprises current and deferred tax. Income tax is recognised in profit or Joss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

5.14.1. Current tax

Current tax comprises the expected tax payable or receivable on taxable incomes or losses for the year and any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only when certain criteria are met.

5.14.2. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the Company's business plan. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

5.15 Employee benefits

5.15.1. Short term employee benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

5.15.2. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

The Company has the following defined contribution schemes.

Social Security and National Insurance Trust

Under the national pension scheme, the Company contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Company's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

Provident Fund

The Company has a Provident Fund Scheme for all employees who have completed their probation period with the Company. The Company contributes 10% of their basic salary to the Fund. Obligations under the plan are limited to the relevant contributions which have been recognised in the financial statements and are settled on due dates to the fund manager.

5.15.3. Defined benefit plans

The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed with sufficient regularity by a qualified actuary using the projected unit credit method. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses is recognised immediately in other comprehensive income.

The Company determines the net interest expense (income) on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability at the period end, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relate to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

The Company has the following defined benefit plans:

Severance benefits

In the event of redundancy, termination benefits are payable by the Company.

Those who have attained 60 years going for a compulsory retirement, should have served for a minimum of 17 years to be rewarded accordingly.

Long service award

This is given in recognition to reward loyalty of continuous and dedicated service of staff to the Company. The reward is given on the 10th anniversary with the Company and then after every five years.

Post-retirement medical benefit

There is no contribution by the employee towards this benefit and no insurance scheme. The employer bears the medical costs (no cap defined) of the retiree and their spouse for as long as the retiree is alive. After the death of the retiree, the spouse will be taken care of for 6 months after which they will be removed from the scheme.

5.15.4 Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

The Company operates a long service award scheme. This relates to rewards (packages) paid to employees who attain certain milestone with the Company before their due date of retirement.

6. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

7. New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework

The Company has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The Company has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The Company has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Company has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current – continued

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates – continued

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- – Right-of-use assets and lease liabilities
- – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

8. Revenue

(a) Revenue streams

The Company generates revenue primarily from the transmission of electricity to its bulk customers and utilities companies within the country. Another source of revenue includes the income earned from leasing of Indefeasible Right of Use (IRU) of its excess dark and light fibre capacities.

	2022	2021
	GWH million	GWH million
Total transmission	**21,545**	20,390
Sub-station usage	**11**	10

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

	2022	2021
	GH¢'000	GH¢'000
Revenue from transmission services	1,603,189	1,267,593
Revenue from fibre optic cable maintenance	14,055	5,526
	1,617,244	1,273,119
Rental income from lease of fibre optic cables	5,080	5,649
	1,622,324	1,278,768

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from transmission services and fibre optic cable maintenance customers is disaggregated by type of customer and primary geographical market.

	2022	2021
	GH¢'000	GH¢'000
Type of customer		
Contract revenue from related parties	1,149,161	1,004,843
Contract revenue from third parties	468,083	268,276
	1,617,244	1,273,119
Primary geographical market		
Local revenue	1,342,506	1,130,900
Export revenue	274,738	142,219
	1,617,244	1,273,119

(c) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises transmission and fibre lease revenue when it transfers control of service to a customer over time. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Transmission services	The nature of the promise is to transfer energy to the customers. Energy transmitted is generally expressed in monthly volumes and prices determined by the Company or fixed by the regulatory body. The transmission of electricity represents a single performance obligation that represents a promise to transfer to the customer a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer. Invoices for transmission services are issued on a monthly basis and are usually payable within 30 days.	Revenue is recognised over time as the performance obligations of delivering energy to customers are satisfied.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Telecommunication services	Telecommunication service represents the selective maintenance of fibre optic cables. The Company and customer enter into an agreement which outlines the date of agreement, end date, contract price, payment terms and the assignment of rights from the Company to the customer. Management has identified the promise in the telecommunication service to be the maintenance service thereon. Management believes the service holds standalone value to the customer as it is not dependent on any other services for functionality purposes and therefore distinct within the context of the contract. The transaction price is set at a fixed dollar amount per service provided and explicitly stated in each contract. Revenue from telecommunication service is recognised on a straight-line basis based on the contract amount and duration stated in the amount. Revenue is recognised as the service is provided.	Revenues related to the telecommunication service are recognised over time based on the service period stated in the contract. Revenue is recognised over time as the related services are provided.

9. Direct costs

	2022	2021
	GH¢'000	GH¢'000
Staff cost (Note 12)	189,422	147,894
Materials and spares consumed	18,418	3,290
Maintenance and other direct cost	67,674	40,710
Depreciation of property, plant and equipment (Note 17)	231,219	137,373
Transmission loss	63,497	58,145
	570,230	387,412

Transmission losses for the year ended 31 December 2022 was 922GWH (2021: 1,076 GWH).

10. Other income

	2022	2021
	GH¢'000	GH¢'000
Exchange gain	284,679	18,492
Consultancy service revenue	11,336	-
Gain on disposal of PPE	138	-
Sale of obsolete inventory	583	-
Sundry income	3,768	9,692
	300,504	28,184

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

11. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	GH¢'000	GH¢'000
Directors' remuneration	2,170	354
Auditor's remuneration	360	300
Depreciation and amortisation	267,794	166,270
Personnel costs (Note 12)	290,096	221,501

12. Personnel costs

	2022	2021
	GH¢'000	GH¢'000
Wages and salaries	211,583	173,467
Social security contributions	16,360	10,974
Provident fund contributions	26,365	17,793
Defined benefit plan	(20,472)	(7,214)
Other long-term employee benefits	18,048	11,057
Casual labour	-	693
Other staff expenses	38,212	14,731
	290,096	221,501
Allocation of staff cost:		
Staff cost allocated to direct cost (Note 9)	189,422	147,894
Staff cost allocated to general and administrative expenses (Note 13)	100,674	73,607
	290,096	221,501

The total number of staff employed by the Company by the end of the year was 813 (2021: 822).

13. General and administrative expenses

	2022	2021
	GH¢'000	GH¢'000
Directors' remuneration	2,170	354
Staff cost (Note 12)	100,674	73,607
Materials consumed	3,022	1,356
Other administrative cost (Note 13(i))	79,796	66,788
Depreciation of property, plant and equipment (Note 17)	33,072	26,372
Amortisation of intangible assets (Note 18)	3,503	2,524
Write-off of property, plant and equipment and intangible assets (Note 17 & 18)	-	6
Loss on disposal of PPE	-	27
Auditors' remuneration	360	300
	222,597	171,334

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

13(i) Other administrative cost

	2022	2021
	GH¢'000	GH¢'000
Repairs and maintenance	-	9,661
Sundry expenses	55,080	13,520
Advertisement	470	115
Compensation payment	-	27,220
Honorarium	1,901	660
Safety	3,311	2,727
Legal & professional	850	2,058
Donations	4,945	560
Travel expenses	3,261	4,552
Rental	-	25
Stationery	376	980
Insurance	4,344	4,032
Utility	5,258	678
	79,796	66,788

14. Finance cost

	2022	2021
	GH¢'000	GH¢'000
Interest on loans and overdrafts	32,959	25,685
Exchange loss on loans and borrowings	683,347	47,312
Finance cost on defined benefit obligations	15,215	25,819
	731,521	98,816

15. Finance income

	2022	2021
	GH¢'000	GH¢'000
Interest income	19,370	7,278
	19,370	7,278

16. Taxation

(a) Income tax credit

	2022	2021
	GH¢'000	GH¢'000
Current income tax expense (Note 16b)	162,963	198,881
Deferred income tax (credit)/expense (Note 16d)	(27,239)	(56,256)
	135,724	142,625

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

(b) Current tax (asset)/liability

Year ended 31 December 2022	Balance at 1 January	Charge to profit or loss	Payment during the year	Adjustment during the year	Balance at 31 December
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2008 to 2018	166,362	-	-	-	166,362
2019	18,236	-	-	-	18,236
2020	78,693	-	-	-	78,693
2021	195,140	-	-	-	195,140
2022	-	162,963	(20,013)	5,984	148,934
	458,431	**162,963**	**(20,013)**	**5,984**	**607,365**

Year ended 31 December 2021	Balance at 1 January	Charge to profit or loss	Payment during the year	Balance at 31 December
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2008 to 2017	145,483	-	-	145,483
2018	20,879	-	-	20,879
2019	18,236	-	-	18,236
2020	78,693	-	-	78,693
2021	-	198,881	(3,741)	195,140
	263,291	198,881	(3,741)	458,431

All tax liabilities are subject to agreement with the tax authorities.

(c) Reconciliation of effective tax rate

	2022	2021
	GH¢'000	GH¢'000
Profit before income tax	**(805,548)**	1,296
Income tax using the corporate tax rate of 25%	**(201,387)**	324
Expenses not deductible for tax purposes	**337,111**	142,301
Income tax charge/(credit)	**135,724**	142,625
Effective tax rate	**-17%**	11,009%

(d) Movement in deferred tax balance during the year

	2022	2021
	GH¢'000	GH¢'000
Balance as at 1 January	**418,254**	363,179
Charge/(credit) to profit or loss	**(27,239)**	(56,256)
Charge to OCI	**533,481**	111,331
Balance as at 31 December	**924,496**	418,254

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

(e) Recognised deferred tax assets and liabilities

2022	Balance at 1 January (Net) GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Balance at 31 December (Net) GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property, plant and equipment	305,498	270,945	-	576,443	-	576,443
Provision for doubtful debt	(367,313)	(305,849)		(673,162)	(673,162)	-
Employee benefits obligations	(19,972)	19,078		(894)	(894)	-
Resettlement provision	(35,651)	33,714		(1,938)	(1,938)	-
Excess financial cost - 2022	1	(7,177)		(7,176)	(7,176)	-
Provision - legal	(894)	894		-	-	-
Provision for slow moving goods	(1,938)	(38,844)		(40,782)	(40,782)	-
Revaluation surplus on property, plant and equipment	538,523	-	533,481	1,072,004	-	1,072,004
Net tax (assets)/ liabilities	**418,254**	**(27,239)**	**533,481**	**924,496**	**(723,951)**	**1,648,447**

2021	Balance at 1 January (Net) GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Balance at 31 December (Net) GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property, plant and equipment	192,199	113,299	-	305,498	-	305,498
Provision for doubtful debt	(201,316)	(165,997)	-	(367,313)	(367,313)	-
Employee benefits obligations	(19,972)	-	-	(19,972)	(19,972)	-
Resettlement provision	(33,971)	(1,680)	-	(35,651)	(35,651)	-
Excess financial cost - 2021	1	-	-	1	-	1
Provision - legal	(894)	-	-	(894)	(894)	-
Provision for slow moving goods	(60)	(1,878)	-	(1,938)	(1,938)	-
Revaluation surplus on property, plant and equipment	427,192	-	111,331	538,523	-	538,523
Net tax (assets)/ liabilities	363,179	(56,256)	111,331	418,254	(425,768)	844,022

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

17. Property, plant and equipment

31 December 2022	**Transmission assets**	**Freehold land**	**Land and buildings**	**Motor vehicle**	**Computers**	**Miscellaneous plant & office equipment**	**Capital work-in progress**	**Total**
Cost	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance as at 1 Jan	4,582,977	46,073	322,208	73,096	7,165	19,162	942,959	5,993,640
Balance adjustment	35,551		3,340	2,642	1,622	1,770	185	45,110
Additions	-	-	-	1,510	969	660	168,314	171,453
Disposal	(2,565)	-	-	(748)	(37)	-	-	(3,350)
Transfers from CWIP	6,959	-	-	6,046	-	-	(13,005)	-
Transfers to intangible assets	-	-	-	-	-	-	(16,015)	(16,015)
Gross revaluation adjustment*	2,403,426	-	98,133	37,769	4,492	10,774	-	2,554,594
Balance as at 31 Dec	7,026,348	46,073	423,681	120,315	14,211	32,366	1,082,438	8,745,432
Accumulated depreciation								
Balance as at 1 Jan	404,211	-	34,364	54,444	6,151	8,819	-	507,989
Balance adjustment	35,551		3,340	2,642	1,622	1,770		44,925
Charge for the year	231,219	-	14,356	14,531	886	3,299	-	264,291
Disposal	(2,464)	-	-	(669)	(37)	-	-	(3,170)
Gross revaluation adjustment*	842,449	-	26,612	29,489	3,989	5,639	-	908,178
Balance as at 31 Dec	1,510,966	-	78,672	100,437	12,611	19,527	-	1,722,213
Carrying amount	**5,515,382**	**46,073**	**345,009**	**19,878**	**1,600**	**12,839**	**1,082,438**	**7,023,219**

31 December 2021	Transmission assets	Freehold land	Land and buildings	Motor vehicle	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
Cost	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as at 1 Jan	3,788,478	46,073	302,585	65,677	6,009	15,868	1,150,632	5,375,322
Additions	–	–	–	–	229	155	139,225	139,609
Disposal	(13)	–	–	(472)	–	–	–	(485)
Transfers from CWIP	348,506	–	–	–	18	1,058	(349,581)	–
Transfers to intangible assets	-	-	-	-	-	-	53	53
Reclassification from intangible assets	-	-	-	-	-	-	2,630	2,630
Gross revaluation adjustment*	446,006	–	19,623	7,891	909	2,081	–	476,510
Balance as at 31 Dec	4,582,977	46,073	322,208	73,096	7,165	19,162	942,959	5,993,639
Accumulated depreciation								
Balance as at 1 Jan	229,925	–	21,301	36,783	4,454	5,732	-	298,195
Charge for the year	137,373	–	11,051	12,291	927	2,104	-	163,746
Disposal	(7)	–	–	(375)	-	–	-	(382)
Gross revaluation adjustment*	36,920	–	2,012	5,745	770	983	–	46,430
Balance as at 31 Dec	404,211	–	34,364	54,444	6,151	8,819	–	507,988
Carrying amount	4,178,766	46,073	287,844	18,652	1,014	10,343	942,959	5,485,651

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

*This gross revaluation adjustments relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset. During the year, a total amount of GH¢ 297 million (2021: GH¢39.55 million) representing borrowing cost was capitalized and included in the additions to capital work-in progress. The loans were purposely obtained for the construction of the related assets. None of the assets of the Company has been pledged as security for any loan.

Analysis of depreciation and amortisation charged to profit or loss:

	2022	2021
	GH¢'000	GH¢'000
Included in direct costs (note 9) - depreciation of transmission and other related assets	231,219	137,373
Included in general and administrative expense (note 13)	36,575	28,896
Total depreciation and amortisation charge for the year	267,794	166,269

Loss/(profit) on disposal of property, plant and equipment		
Cost on disposal	3,350	485
Accumulated depreciation on disposal	(3,170)	(382)
Carrying amount on disposal	180	103
Proceeds on disposal	(318)	(76)
(Profit)/ loss on disposal	(138)	27

Revaluation of property, plant and equipment

On a monthly basis management determines the fair value of the company's property, plant and equipment (excluding land) using the indexation method. Valuation of property, plant and equipment (including land) is done by an independent valuer every five years, with the most recent being on 31 December 2018.

If management had used cost model for measuring the property, plant and equipment the carrying amounts of these assets would have been as disclosed in Note 17(a) below:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

17. Property, plant and equipment – continued

(a) Carrying amount of revalued assets using the cost model

2022	Transmission assets	Freehold land	Land and buildings	Motor vehicle	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
Cost	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance as at 1 Jan	3,199,640	420	92,644	68,957	3,826	18,292	942,959	4,326,738
Additions	-	-	–	1,510	969	660	168,314	171,453
Disposal	(2,565)	-	–	(748)	(37)	-	-	(3,350)
Transfers from CWIP	6,959	-	–	6,046	–	-	(13,005)	-
Transfers to Intangible Assets	–	–	–	–	–	–	(16,015)	(16,015)
Balance as at 31 Dec	3,204,034	420	92,644	75,765	4,758	18,952	1,082,253	4,478,826
Accumulated depreciation								
Balance as at 1 Jan	759,459	-	13,086	57,092	3,002	9,543	-	842,182
Charge for the year	231,219	-	14,356	14,531	886	3,299	-	264,291
Disposal	(2,464)	–	–	(669)	(37)	–	–	(3,170)
Balance as at 31 Dec	988,214	–	27,442	70,954	3,851	12,842	–	1,103,303
Carrying amount	**2,215,820**	**420**	**65,202**	**4,811**	**907**	**6,110**	**1,082,252**	**3,375,523**
Carrying amount at 2021	2,440,181	420	79,558	11,865	824	8,749	942,959	3,484,555

Gross carrying amount of fully depreciated assets still in use

At 31 December 2022, property, plant and equipment with a gross carrying amount of GH¢95.3 million (2021: GH¢60.76 million) were fully depreciated and still in use by the Company.

18. Intangible assets

	2022	2021		
Cost	**Software**	**Software**	**Capital WIP**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance as at 1 Jan	14,783	13,226	2,630	15,856
Balance adjustment	700	-	-	-
Additions	842	-	-	-
Transfers from CWIP	16,015	(53)	-	(53)
Reclassification to PPE	-	-	(2,630)	(2,630)
Gross revaluation adjustment	7,997	1,610	-	1,610
Balance as at 31 Dec	40,337	14,783	-	14,783
Accumulated depreciation				
Balance as at 1 Jan	9,677	6,161	-	6,161
Balance adjustment	885	-	-	-
Charge for the year	3,503	2,524	-	2,524
Gross revaluation adjustment	5,382	992	-	992
Balance as at 31 Dec	19,447	9,677	-	9,677
Carry amount	**20,890**	5,106	-	5,106

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

*This gross revaluation adjustments relates to the accumulated amortisation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

If management had used cost model for measuring the intangible assets the carrying amounts of these assets would have been as disclosed in note 18(a) below:

18(a) Carrying amount of revalued assets using the cost model

	2022	2021		
	Software	**Software**	**CWIP**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Cost				
Balance as at 1 Jan	17,897	17,950	2,630	20,580
Additions	842	-	-	-
Transfers from CWIP		(53)	-	(53)
Reclassification to PPE	16,015	-	(2,630)	(2,630)
Balance as at 31 Dec	34,754	17,897	-	17,897
Accumulated depreciation				
Balance as at 1 Jan	13,561	11,618	-	11,618
Charge for the year	3,503	1,943	-	1,943
Balance as at 31 Dec	17,064	13,561	-	13,561
Carrying amount	**17,690**	4,336	-	4,336

18 (b) Revaluation of property, plant and equipment and intangible assets

2022	**Property, plant and equipment**	**Intangible assets**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**
Cost	**2,554,594**	**7,997**	**2,562,591**
Accumulated depreciation	**(908,178)**	**(5,382)**	**(913,560)**
	1,646,416	**2,615**	**1,649,031**

2021	Property, plant and equipment	Intangible assets	Total
	GH¢'000	GH¢'000	GH¢'000
Cost	476,510	1,610	478,120
Accumulated depreciation	(46,430)	(992)	(47,422)
	430,080.00	618.00	430,698.00

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

19. Other receivables

	2022	2021
	GH¢'000	GH¢'000
Staff loans	22,195	13,458

The amount set out above represents non-current staff loans and advances.

20. Inventories

	2022	2021
	GH¢'000	GH¢'000
Consumables and spare parts	40,316	14,013

In 2022, inventories of GH¢21.4 million (2021: GH¢4.6 million) were recognised in profit or loss. Of the amount recognised in profit or loss during year, GH¢18.4 million (2021: GH¢ 3.3 million) was recognised in "direct costs" while GH¢2.4 million (2021:GH¢1.3 million) was recognised in "general and administrative expenses".

There was a reversal of inventory write-down of GH¢0.58 million in 2022 due to a change in estimate. However, there was no inventory write-down or reversal in 2021.

21. Trade and other receivables

	2022	2021
	GH¢'000	GH¢'000
Trade receivables due from related parties	3,155,204	2,531,789
Trade receivables	377,094	113,328
Impairment of trade receivables	(2,692,646)	(1,469,248)
Net trade receivables	839,652	1,175,869
VAT receivables	17,894	9,207
Other receivables	12,241	12,340
Staff loans	2,996	1,516
	872,783	1,198,932

The maximum amount of staff loans during the year did not exceed GH¢ 23.7 million (2021: GH¢5.26 million). All trade debtors and other receivables are current and their carrying amounts approximate their fair value. Information about the Company's exposure to credit and market risk and impairment loss for trade and other receivables is included in note 36(b)ii.

22. Cash and cash equivalents

	2022	2021
	GH¢'000	GH¢'000
Call account	26,129	47,678
Cash on hand	43	68
Cash at bank	597,528	446,554
	623,700	494,300

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

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

	2022	2021
	GH¢'000	GH¢'000
Cash and cash equivalents	623,700	494,300
	623,700	494,300

23. Stated capital

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

	2022	2021
Ordinary shares	000	000
Authorised	11,000,000	11,000,000
Issued	10,010,000	10,010,000

(ii) Proceeds from issued shares are as follows:

	2022	2021
Ordinary shares	GH¢'000	GH¢'000
Issued for cash	1	1
Consideration other than cash	1,010,869	1,010,869
Total	1,010,870	1,010,870

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets. There is no unpaid liability on shares and there are no call or instalments in arrears. There are no treasury shares.

24. Retained earnings

This represents the residual of cumulative annual results which is available for distribution to the members of the Company, subject to regulations imposed by the Companies Act, 2019 (Act 992).

25. Revaluation reserve

The revaluation reserve balance represents revaluation gains on the Company's property, plant and equipment and intangible assets. This is not available for distribution to shareholders.

26. Loans and borrowings

a. Loan and borrowings balances

	2022	2021
	GH¢'000	GH¢'000
Current portion		
Short- and medium-term loans due within one year	227,481	244,677

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Non-current portion		
Short- and medium-term loans due two to five years	**927,872**	761,335
Medium term loans due over 5 years	**895,987**	684,008
	1,823,859	1,445,343
Balance as at 31 December	**2,051,340**	1,690,020

b. Movement of Loans and borrowings

	2022	2021
	GH¢'000	GH¢'000
Balance as at 1 January	**1,690,020**	1,780,228
Principal drawdown	**51,503**	360,829
Interest expensed	**30,244**	25,067
Interest capitalised	**39,400**	138,670
Interest paid	**(162,029)**	(149,630)
Principal repayment	**(281,145)**	(508,308)
Exchange variation	**683,347**	43,164
Balance as at 31 December	**2,051,340**	1,690,020

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

c. Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	31 December 2022 Contract amount GH¢'000	31 December 2022 Carrying amount GH¢'000	31 December 2021 Contract amount GH¢'000	31 December 2021 Carrying amount GH¢'000
Societe Generale France	EUR	EURIBOR + 1.75%	2023	**340,135**	**43,820**	340,135	65,626
Societe Generate France	EUR	EURIBOR + 1.75%	2024	**240,571**	**46,419**	240,571	57,933
Nordea Bank	EUR	EURIBOR + 1.94%	2025	**240,186**	**76,364**	240,186	79,818
Agence Francaise de Developpement	USD	5%	2032	**1,001,699**	**1,091,473**	1,001,699	852,308
IDA 4971 GH (WB)	SDR	4.50%	2046	**132,740**	**171,009**	132,740	165,875
Export-Import Bank of Korea	USD	0.50%	2050	**387,281**	**570,768**	387,281	409,506
B5 Plus	USD	9%	2030	**67,566,248**	**51,487**		
				69,908,860	**2,051,340**	2,342,612	1,690,020

d. Breach of loan covenant

The Company has a loan with Agence Francaise de Developpement (AFD) with a carrying amount of GH¢1.09 million (2021:GH¢852 million) as at 31 December 2022. The loan is repayable twice yearly over fifteen years.

As per an amended agreement for 2022 with Agence Francaise de Developpement (AFD), GRIDCO is no longer required to comply with covenant ratios for leverage and current ratios.

The table below shows the covenant levels the Company is required to comply with and the actual levels attained for the year ended 31 December 2022;

Ratio	Covenant level (2022)	Actual level (2022)	Covenant level (2021)	Actual level (2021)
Net indebtedness to EBITDA ratio	**<=5.00**	**1.47**	<=5.00	1.85
Debt Service Coverage Ratio (DSCR)	**>=1.40**	**3.07**	>=1.40	1.54

During the year under review, the Company did not breach the loan covenant.

On 17 April 2020, by an amendment to the credit facility agreement between AFD and GRIDCo, the current ratio and leverage ratio were removed as covenants and the Net Indebtedness to EBITDA Ratio was also reset to not greater than 5. All pending Events of Defaults before the effective date of the amendment (17 April 2020) in respect of the breach of the financial ratios are deemed waived by the amendment.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

27. Employee benefits

a. Post-employment defined and other long-term benefit plan

Apart from the legally required social security scheme, GRIDCo contributes to the following post-employment defined benefit plans and other long-term employee benefit plan. These plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market risk.

Post-employment benefits

Severance benefits

This defined benefit scheme entitles employees to a benefit package at the end of their service with the Company. This benefit package is paid at the point of exit and the employee should have served for a minimum of 17 years. The package is determined as a product of a percentage of annual salary of the qualifying employee at point of exit and bundles of roofing sheets. The percentage and number of bundles applied are respectively dependent on the length of service at the point of retirement.

Post-retirement medical benefit

The employer bears the medical costs (no cap defined) of the retiree and their spouse for as long as the retiree is alive. After the death of the retiree, the spouse will be taken care of for 6 months after which they will be removed from the scheme.

Other long-term employee benefits - Long service awards

This relates to rewards (packages) paid to employees who attain certain milestone with the Company based on years of service before their due date of retirement. The package is determined as a product of a percentage of annual salary of the qualifying employee and bundles of roofing sheets. The percentage and number of bundles applied are respectively dependent on the length of service at the time the award is due.

The present value of the benefits at the end of the year are as shown below:

	2022	2021
	GH¢'000	GH¢'000
Long-service award	**49,177**	38,835
Severance benefit	**37,322**	4,429
Post-retirement medical benefit	**76,629**	36,625
Total employee benefit liabilities	**163,128**	79,889
Non-current	**145,692**	75,368
Current	**17,436**	4,521
	163,128	79,889

b. Employee benefit obligations - movement in net defined benefit liability

The following tables show reconciliations from the opening balances to the closing balances for the net employee benefit liability and its components of the various employee benefit schemes:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

	2022	2021
Long service awards	**GH¢'000**	GH¢'000
Balance as at 1 January	**38,835**	25,866
Included in profit or loss:		
Current service cost	**3,312**	2,784
Net interest	**8,098**	3,534
Actuarial loss (gain) arising from:		
- Financial assumptions	**3,135**	(7,209)
- Other sources	**4,406**	20,670
	18,951	19,779
Benefits paid	**(8,609)**	(6,810)
Balance as at 31 December	**49,177**	38,835

	2022	2021
Severance benefits	**GH¢'000**	GH¢'000
Balance as at 1 January	**4,429**	10,641
Included in profit or loss:		
Current service cost	**1,795**	213
Net interest	**1,039**	1,456
	2,834	1,669
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**4,306**	(522)
- Other sources	**28,474**	(6,448)
	32,780	(6,970)
Benefits paid	**(2,721)**	(911)
Balance as at 31 December	**37,322**	4,429

Post-retirement medical benefits

	2022	2021
	GH¢'000	GH¢'000
Balance as at 1 January	**36,625**	43,381
Included in profit or loss:		
Current service cost	**2,660**	1,025
Net interest	**7,450**	6,120
	10,110	7,145

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**40,228**	(18,281)
- Other sources	**(7,205)**	5,768
	33,023	(12,513)
Benefits paid	**(3,129)**	(1,388)
Balance as at 31 December	**76,629**	36,625

Total benefit	**2022**	2021
	GH¢'000	GH¢'000
Balance as at 1 January	**79,889**	79,888
Included in profit or loss:		
Current service cost	**7,767**	4,022
Net interest	**16,587**	11,110
Actuarial loss (gain) recognised in the year	**7,541**	13,461
	31,895	28,593
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**44,534**	(18,803)
- Other sources	**21,269**	(680)
	65,803	(19,483)
Benefits paid	**(14,459)**	(9,109)
Balance as at 31 December	**163,128**	79,889

c. Defined benefit obligations - actuarial assumptions

The following are the actuarial assumptions at the reporting date

Principal assumptions:	**2022**	2021
Discount rate	**21.40%**	20%
Salary inflation rate	**15%**	15%
Other assumptions:		
Nominal inflation gap	**16.30%**	12.60%
Net discount rate gap	**5.60%**	4%
Retirement age	**60 years**	60 years

c. Defined benefit obligations - actuarial assumptions – continued

The pre-retirement mortality has been assumed to follow the mortality rates according to the SA85-90 Light table. The post-retirement mortality has been assumed to follow the PA (90) mortality table. This assumption has remained unchanged from the previous valuation.

d. Defined benefit obligations- sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below. The sensitivities are performed by adding the stated percentage onto the current assumption.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

	2022		2021	
	Increase	Decrease	Increase	Decrease
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Discount rate (1% movement)	(14,491)	17,253	(5,780)	6,320
Salary inflation rate (1% movement)	969	(884)	1,095	(990)

28. Trade and other payables

	2022	2021
	GH¢'000	GH¢'000
Trade payables due to related parties	1,739,438	1,428,977
Other trade payables	47,652	58,875
Payroll liabilities	12,521	36,257
Statutory payables	44,047	43,618
Accrued expenses	1,967	28,577
	1,845,625	1,596,304

29. Provisions

2022	Resettlement compensation	Legal	Others	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
1 January	136,646	3,576	7,750	147,972
Provisions made during the year	24,399	-	-	24,399
Provisions used during the year	(94,945)	-	-	(94,945)
	66,100	3,576	7,750	77,426
2021				
1 January	135,882	3,577	7,750	147,209
Provisions made during the year	113,825	-	-	113,825
Provisions used during the year	(113,061)	-	-	(113,061)
	136,646	3,577	7,750	147,973

Resettlement compensation provision represents the compensation payments to be made to affected persons whose land and properties had been encroached by the Company as a result of constructing transmission assets. Legal provisions represent claims brought against the Company by third parties.

Other provisions relates to management's estimate of likely payment to be made by the company following claims negotiation with a vendor in respect of interest on delayed payments and related charges.

Management expects the outflows relating to these provisions to be any time after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

30. Related party transactions

Ghana Grid Company Limited is wholly owned by the Government of Ghana. The Company is related to Volta River Authority, Electricity Company of Ghana, Northern Electricity Distribution Company Limited, Volta Aluminium Company Limited, Akosombo Textiles Limited, Bui Power Authority and Ghana Water Company Limited through common shareholding.

Other than amount due from staff (staff loans), there are no defined terms and conditions with respect to outstanding balances with these related parties. Loans of average tenure of 4 years are granted to staff including key management at an interest rate of 3%. Repayment is made by monthly deductions from salaries.

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

	2022	2021
Provision of transmission services	**GH¢'000**	GH¢'000
Electricity Company of Ghana Limited	**916,203**	857,344
Volta River Authority	**6,036**	5,534
Northern Electricity Distribution Company Limited	**112,521**	105,873
Volta Aluminium Company Limited	**46,666**	31,492
Akosombo Textiles Limited	**200**	182
Bui Power Authority	**195**	631
Ghana Water Company Limited	**3,999**	3,786
	1,085,817	1,004,842

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

(a) Loans and advances due from key management:

	2022	2021
	GH¢'000	GH¢'000
Long-term staff loans - key management	**266**	175
Short-term staff loans - key management	**226**	86
	492	261

During the year the finance income recognised on staff loans - key management in profit and loss was GH¢758.09 (2021: GH¢7,781)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

(b) Receivables from related parties:

	2022	2021
	GH¢'000	GH¢'000
Electricity Company of Ghana Limited	**2,255,016**	1,843,227
Volta Aluminium Company Limited	**418,254**	304,015
Northern Electricity Distribution Company Limited	**458,260**	372,282
Akosombo Textiles Limited	**841**	772
Bui Power Authority	**7,262**	6,520
Volta River Authority	**8,256**	-
Volta Hotel Authority	**8**	-
Ghana Water Company Limited	**7,307**	4,973
	3,155,204	2,531,789
Total amounts due from related parties (a+b)	**3,155,696**	2,532,050

As at the end of the year the impairment on receivables from related parties was GH¢2.52 billion (2021: GH¢1.19 billion). Impairment expense on receivables from related parties included in profit or loss was GH¢1.15 billion (2021: GH¢411.24 million).

(c) Payables to related parties:	2022	2021
	GH¢'000	GH¢'000
Volta River Authority (VRA)	**654,621**	510,267
Bui Power Authority	**13,649**	-
Northern Electricity Distribution Company	**71**	-
Energy Commission	**7,824**	-
Ghana Water Company Limited	**41**	-
Electricity Company of Ghana	**3**	-
Public Utilities Regulatory Commission (PURC)	**799,351**	669,035
	1,475,560	1,179,302
(d) Advances from related parties:		
Volta River Authority (VRA)	**154,982**	111,711
Ghana National Petroleum Corporation	**67,418**	67,418
E.S.L.A. PLC*	**69,658**	69,658
Volta Aluminium Company Limited	**764**	-
Anglogold Ashanti Mines	**-**	888
	292,822	249,675
Total amount due to related parties (c+d)	**1,739,438**	1,428,977

*On 30th March 2020, GH¢69.7 million of the total liabilities of GRIDCo were novated to E.S.L.A Plc, a Government of Ghana (GoG) wholly owned special purpose vehicle.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

(e) Compensation of key management personnel of the company

	2022	2021
	GH¢'000	GH¢'000
Salaries and wages	11,483	8,179
Employer's pension contribution	1,759	1,462
	13,242	9,641

31. Donor support

Donor support represents grants from Agence Francaise de Developpement (AFD) to support the construction of a 330 kilo-volts transmission line from Kumasi to Bolgatanga to reinforce its network and a 225 kilo-volts interconnection from Bolgatanga to Burkina Faso. The grant is mainly towards the cost of supervision of reinforcements of the 330 kilo-volts transmission network. This grant is included in non-current liabilities as 'deferred donor support' in the statement of financial position and is amortised to profit or loss on a straight line basis over the expected useful lives of the related assets when a project phase is completed and energized. There are no unfulfilled conditions as at reporting date. The movement in donor support during the year is set out below:

	2022	2021
	GH¢'000	GH¢'000
Balance as at 1 January	22,920	21,910
Receipts during the year	3,091	1,010
Balance as at 31 December	26,011	22,920

32. Contract liabilities

	2022	2021
	GH¢'000	GH¢'000
Contract liabilities from fibre lease *	29,174	29,867
Advance from transmission customers **	134	747
	29,308	30,614
Current	2,122	747
Non- current	27,186	29,867
	29,308	30,614

*Contract liabilities from fibre lease represents the unamortised portion of prepaid indefeasible right of use of specified dark and lite fibre on designated route segments of the National Interconnected Transmission System. The total contract sum received from each lease is amortised equally over the lease term.

**Advance from transmission customers represents monies received from or services rendered on the Company's behalf by its transmission customers. These advances are mainly to be offset against future transmission services to be provided and charged to these customers. No information is provided about remaining performance obligations at 31 December 2022 or at 31 December 2021 that have an original expected duration of one year or less, as allowed by IFRS 15.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

The movement in Contract liabilities from fibre lease is set out below:

	2022	2021
	GH¢'000	GH¢'000
Balance as at 1 January	29,867	27,154
Receipts during the year	4,387	8,022
Revenue recognised for the year	(5,080)	(5,309)
Balance as at 31 December	29,174	29,867

The movement in contract liabilities from transmission customers during the year is set out below:

	2022	2021
	GH¢'000	GH¢'000
Balance as at 1 January	747	2,281
Receipts during the year		95
Revenue recognised for the year		-
Repayment	(613)	(1,629)
Exchange loss	-	-
Balance as at 31 December	134	747

33. Leases

Leases as lessor

The Company leases out its fibre lines to its telecommunication customers.

The Company has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5.5 sets out information about the operating leases of the fibre lines. The Rental income recognised by the Company during 2022 was GH¢5.08 million (2021: GH¢5.31 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2022	2021
Operating lease under IFRS 16	GH¢'000	GH¢'000
Less than one year	2,786	3,031
One to two years	2,786	3,031
Two to three years	2,786	3,031
Three to four years	2,786	3,031
Four to five years	2,786	2,808
More than five years	14,888	12,491
	28,818	27,423

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

34. Prepayment

	2022	2021
	GH¢'000	GH¢'000
Insurance	1,446	-
Advances*	6,686	11,006
	8,132	11,006

*Advances relates to advances made for supplies.

35. Contingencies and commitments

(a) Letters of credit

There were no Letters of credit at 31 December 2022 (2021: nil)

(b) Contingent liabilities

The contingent liabilities at the reporting date was GH¢492 thousand (2021:GH¢ 5.90 million) relates to estimated resettlement compensation that are in legal dispute. Based on legal advice, management believes that this is the best estimate that the Company would possibly be exposed to.

(c) Commitments

Capital commitments at the reporting date is GH¢479 million (2021: GH¢479 million). This is in respect of the construction of transmission assets.

36. Financial instruments - fair values and risk management

a. Accounting classification and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information as the carrying amounts of these financial assets and financial liabilities not measured at fair value are reasonable approximation of their fair values. The basis for determining fair values is disclosed in Note 4.

	Financial assets amortised cost	Other financial liabilities	Total
31 December 2022	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets			
Other receivables	22,195	-	22,195
Trade and other receivables*	854,889	-	854,889
Cash and cash equivalents	623,700	-	623,700
	1,500,784	**-**	**1,500,784**
Financial liabilities			
Trade and other payables**	-	1,801,578	1,801,578
Loans and borrowings	-	2,051,340	2,051,340
	-	**3,852,918**	**3,852,918**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

31 December 2021	Financial assets amortised cost GH¢'000	Other financial liabilities GH¢'000	Total GH¢'000
Financial assets			
Other receivables	13,458	-	13,458
Trade and other receivables*	1,189,725	-	1,189,725
Cash and cash equivalents	494,300	-	494,300
	1,697,483	-	1,697,483
Financial liabilities			
Trade and other payables**	-	1,552,686	1,552,686
Loans and borrowings	-	1,690,020	1,690,020
	-	3,242,706	3,242,706

*Trade and other receivables exclude VAT receivables of GH¢17.89 million (2021: GH¢9.21 million).

**Trade and other payables exclude statutory liabilities of GH¢44.05 million (2021: GH¢43.46 million)

b. Financial risk management

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board's audit committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

The Company, through its training and management standards and procedures, continues to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

The Audit Committee gain assurance in relation to the effectiveness of internal control and the risk management framework from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self- assessment process over internal control; and the independent work of the internal audit department, which ensures that the Audit Committee and management understand the Group and Company's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the Company's internal control and management of key risks.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations that arises principally from the company's receivable from customers.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit control committee has established a credit policy under which a new customer is analysed individually for credit worthiness before the Company's standard payment terms and conditions are offered. The Company generally trades with pre-defined and selected customers.

At 31 December 2022, the exposure to credit risk for trade receivables by type of counterparty was as follow:

	2022	2021
Type of customer	**GH¢'000**	GH¢'000
Transmission customers		
Bulk distributors	**2,819,917**	2,250,893
External customers	**114,927**	49,884
Mining customers	**74,744**	25,174
Other transmission customers	**524,710**	319,412
	3,532,298	2,645,363
Telecommunication customers	**-**	-
	3,532,298	2,645,363

Impairment analysis of trade receivables

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers. The Company's significant trading partners are Government institutions. Historically, payments for services rendered delays. Loss rates are calculated using a 'historical loss rate' method based on actual credit loss experience over the past three years.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

2022	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
	%	GH¢'000	GH¢'000	
Neither past due nor impaired (less than 30 days)	28.3039	183,081	(51,819)	No
Past due (30-60 days)	40.6837	177,098	(72,050)	No
Past due more than (61-90 days)	50.0246	140,187	(70,128)	No
Past due more than 90 days	82.41111	3,031,932	(2,498,648)	Yes
		3,532,298	**(2,692,645)**	

2021	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
	%	GH¢'000	GH¢'000	
Neither past due nor impaired (less than 30 days)	6.70%	129,957	(8,732)	No
Past due (30-60 days)	14.45%	122,942	(17,043)	No
Past due more than (61-90 days)	21.59%	106,250	(22,938)	No
Past due more than 90 days	62.07%	2,285,968	(1,420,535)	Yes
		2,645,117	(1,469,248)	

Impairment analysis of trade receivables – continued

The probability of default is based on the default rates adjusted for forward looking overlay determined for the respective brackets of receivables. The default rate is the average of the historical loss rate of the past four years. The forward-looking overlay considers the impact of changes in exchange rates, interest rates and inflation rates.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2022	2021
	GH¢'000	GH¢'000
Balance as at 1 January	**1,469,248**	813,876
Impairment loss recognised in the profit or loss	**1,223,398**	655,372
Balance as at 31 December	**2,692,646**	1,469,248

The impairment allowance was primarily driven by related parties. An increase in amount due from related parties by GH¢623.41 million (2021: GH¢568.49 million), contributed to an increase in the impairment loss allowance by GH¢1.15 billion (2021: GH¢672.77 million).

An increase in amount due from non - related parties by GH¢263.52 million (2021: decrease of GH¢14.46 million) led to a corresponding increase in the impairment loss allowance of GH¢ 78.31 million (2021: decrease of GH¢17.10 million).

No impairment loss was recognised for financial assets other than trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Cash and cash equivalents

The Company held cash and cash equivalents of GH¢623.7 million (2021: GH¢494.30 million) at the reporting date with reputable banks. Impairment loss on cash held with Bank are assessed to be insignificant to the financial statements.

(iii) Liquidity risk

Liquidity risk is the risk that the Company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due or can access them only at excessive cost. The Company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

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 26) 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 Company recorded a net current liability. A substantial portion of the Company's debts are due to related parties. Payment terms are not defined for the amounts due to related parties.

The Company continues to receive financial support from the Government of Ghana to meet its operational needs in the form of guarantees and advances from other government owned enterprises.

Exposure to liquidity risk

The Company uses its cash and cash equivalents amounting to GH¢623.7 million (2021: GH¢505.24 million) to manage its liquidity risk. Cash and cash equivalents are receivable on demand.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

Non-derivative financial liabilities

2022	**Carrying amounts**	**Contractual cashflows**	**1 year or less**	**1 to 2 years**	**2 to 5 years**	**5 years and over**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Loans and borrowings	2,051,340	2,051,340	227,481	-	927,872	895,987
Trade and other payables	1,801,578	1,801,578	1,801,578	-	-	-
	3,852,918	**3,852,919**	**2,029,059**	-	**927,872**	**895,987**

Non-derivative financial liabilities

2021	Carrying amounts	Contractual cashflows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Loans and borrowings	1,690,020	1,690,020	244,677	-	761,335	684,008
Trade and other payables	1,552,686	1,552,686	1,552,686	-	-	-
	3,242,706	3,242,706	1,797,363	-	761,335	684,008

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

(iv) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

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 that are denominated in a currency that is not the entity's functional currency.

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.

The Company's exposure to foreign currency risk was as follows:

31 December 2022	**USD'000**	**EURO'000**	**GBP'000**	**SDR'000**
Loans and borrowings	(199,830)	(18,217)	-	(14,983)
Trade and other payables	(4,352)	(3)	(53)	-
Trade receivables	64,404	-	-	-
Cash and bank balances	24,279	124	-	-
Net exposure	**(115,498)**	**(18,096)**	**(53)**	**(14,983)**
31 December 2021	USD'000	EURO'000	GBP'000	SDR'000
Loans and borrowings	(219,402)	(29,786)	-	(19,733)
Trade and other payables	(6,329)	-	-	-
Trade receivables	52,320	-	-	-
Cash and bank balances	35,490	10,150	-	-
Net exposure	(134,921)	(19,636)	-	(19,733)

The following significant exchange rates applied during the year:

	Average rate		**Reporting rate**	
Ghana Cedi:	**2022**	2021	**2022**	2021
USD 1	**8.4468**	5.8177	**8.5760**	6.0061
EURO 1	**8.8216**	6.8653	**9.1457**	6.8281
GBP 1	**10.2958**	7.9878	**10.3118**	8.1272
SDR 1	**10.5841**	8.2808	**11.4133**	8.4061
YEN 1	**0.06343**	0.0528	**0.0649**	0.0522

Sensitivity analysis on currency risk

The following table shows the effect of a strengthening or weakening of the GH¢ against all other currencies on the Company's equity and profit or loss. This sensitivity analysis indicates the potential effect on equity and profit or loss based upon the foreign currency exposures recorded at December 31 (see "currency risk"

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

above), and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average exchange rate per currency recorded in the course of the respective financial year. The same was done for the prior year.

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December have increased/decreased equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 31 December, 2022			
In GH¢'000	**% change**	**Profit or loss/equity impact: Strengthening**	**Profit or loss/equity impact: Weakening**
		GH¢'000	**GH¢'000**
USD	±1.53	**15,151**	**(15,151)**
EURO	±3.67	**6,080**	**(6,080)**
GBP	±0.16	**1**	**(1)**
SDR	±7.83	**13,397**	**(13,397)**

As of 31 December, 2021			
In GH¢'000	% change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening
		GH¢'000	GH¢'000
USD	±3.14	26,255	(26,255)
EURO	±0.54	724	(724)
SDR	±1.51	2,505	(2,505)

Interest rate risk

Interest rate risk profile

At the reporting date, the Company had the following interest-bearing financial instruments:

	Carrying amount	
	2022	2021
Fixed rate instrument	**GH¢'000**	GH¢'000
Loans and borrowings	**1,884,769**	670,407
Variable rate instrument		
Loans and borrowings	**166,571**	1,019,613

Fair value sensitivity analysis for fixed rate instrument

The Company does not account for fixed rate financial liabilities at fair value through profit or loss therefore a change in interest rates at the reporting date would not impact profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Cash flow sensitivity analysis for variable rate instrument

This table shows the effect (increase/decrease) of a change in variable rates of interest existing at the reporting date on equity and profit or loss. The sensitivity analysis below is based on an assumption of a 100 basis point change in the interest rate existing at the reporting date. The amount reported in the table below is the difference between the interest expense resulting from the application of the rate at the reporting date and the interest expense after a 100 basis point change in the rate at the reporting date.

This analysis also assumes that all other variables, in particular foreign currency rates remain constant. The analysis is performed on the same basis for 2021.

In GH¢'000	% change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening
		GH¢'000	GH¢'000
Loans and borrowings	1	**1,666**	**(1,666)**

In GH¢'000	% change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening
		GH¢'000	GH¢'000
Loans and borrowings	1	10,196	(10,196)

37. 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 the shareholder 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 statement of financial position.

The net debt to equity ratio at the end of the reporting period was as follows:

	2022	2021
	GH¢'000	GH¢'000
Total borrowings	**2,051,340**	1,690,020
Less cash and cash equivalents	**(623,700)**	(494,300)
Net debt	**1,427,640**	1,195,721
Total equity	**2,886,536**	2,778,061
Net debt to equity ratio	**0.49**	0.43

38. Subsequent events

There have been no events after the reporting date, which could have a material effect on the financial position of the company as at 31 December 2022 on its financial performance which have not been recognised or disclosed in these financial statements.

NOTES

NOTES

NOTES