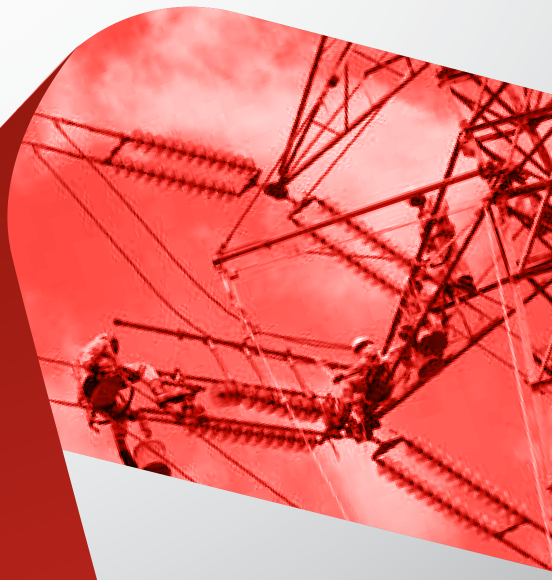
2023 ANNUAL REPORT

GRIDCo

Backbone to Power Delivery



CONTACT DETAILS

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Tema, Ghana

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gridco@gridcogh.com
www.gridcogh.com

AREA OFFICES

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Tafo Sub-Area	P.O. Box 47 Tafo	tafoarea@gridcogh.com	+233(0)34-229-2878
Tema Area	P.O. Box CS 7979 Tema	voltaarea@gridcogh.com	+233(0)30-331-8717
Accra Area	P.O. Box CS 7979 Tema	accraarea@gridcogh.com	+233(0)30-331-8700 Ext 542
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Dunkwaw Sub-Area		dunkwawarea@gridcogh.com	+233(0)24-640-8885
Techiman Area	P.O. Box 369	techimanarea@gridcogh.com	+233(0)35-219-7568
Sunyani Sub-Area	Techiman	sunyaniarea@gridcogh.com	+233(0)35-219-4940
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Corporate Information

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mrs. Ama Bentsiwa Haywood-Dadzie

JOINT AUDITORS

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

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

BANKERS

GCB Bank LTD.
Standard Chartered Bank
Ghana International Bank
Ecobank Ghana
SG Ghana Limited
CAL Bank LTD.
UMB Bank LTD
ADB Bank Limited
STANBIC Bank Ghana
Zenith Bank Ghana LTD
First Atlantic Bank LTD.
ABSA Bank

Corporate Profile

Ghana Grid Company LTD. (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 transmits electricity to thirty-one (31) Bulk Customers and Distribution Utilities from ten (10) Wholesale Suppliers.

Operations

The Company maintained and operated about 6,639.2 circuit kilometres of high-voltage transmission lines to wheel power from generating stations to sixty-six (66) substations. The interconnection of transmission lines, substations and generating stations form the NITS. The transmission lines are operated at various voltages (i.e. 330 kV, 225 kV, 161 kV and 69 kV.69kV). The transformation capacity was 9,784.8MVA.

Departments

GRIDCo operated under eleven (12) Departments that were structured to ensure that its corporate goals and objectives were accomplished in a cost-effective and sustainable manner. These are the Office of the Chief Executive, Engineering, Technical Services, Northern Network, Southern Network, Procurement, System Operations, Finance, Human Resources, Internal Audit and Legal Services Departments.

Operational Areas

The Company maintains and operates the NITS through the Southern and Northern Network Departments. The Southern Network Department is responsible for five (5) Operational Areas located in Akosombo, Tema, Accra, Takoradi, Prestea and one Sub-Area in Tafo, whilst the Northern Network Department is responsible for four (4) Operational Areas located in Kumasi, Techiman, Tamale and Bolgatanga.

Regulators

The Company's regulators include, State Interests and Governance Authority (SIGA), Public Utilities Regulatory Commission (PURC), Energy Commission (EC), National Communication Authority (NCA) and Environmental Protection Agency (EPA).

Vision, Mission, Medium-Term Goal

Vision

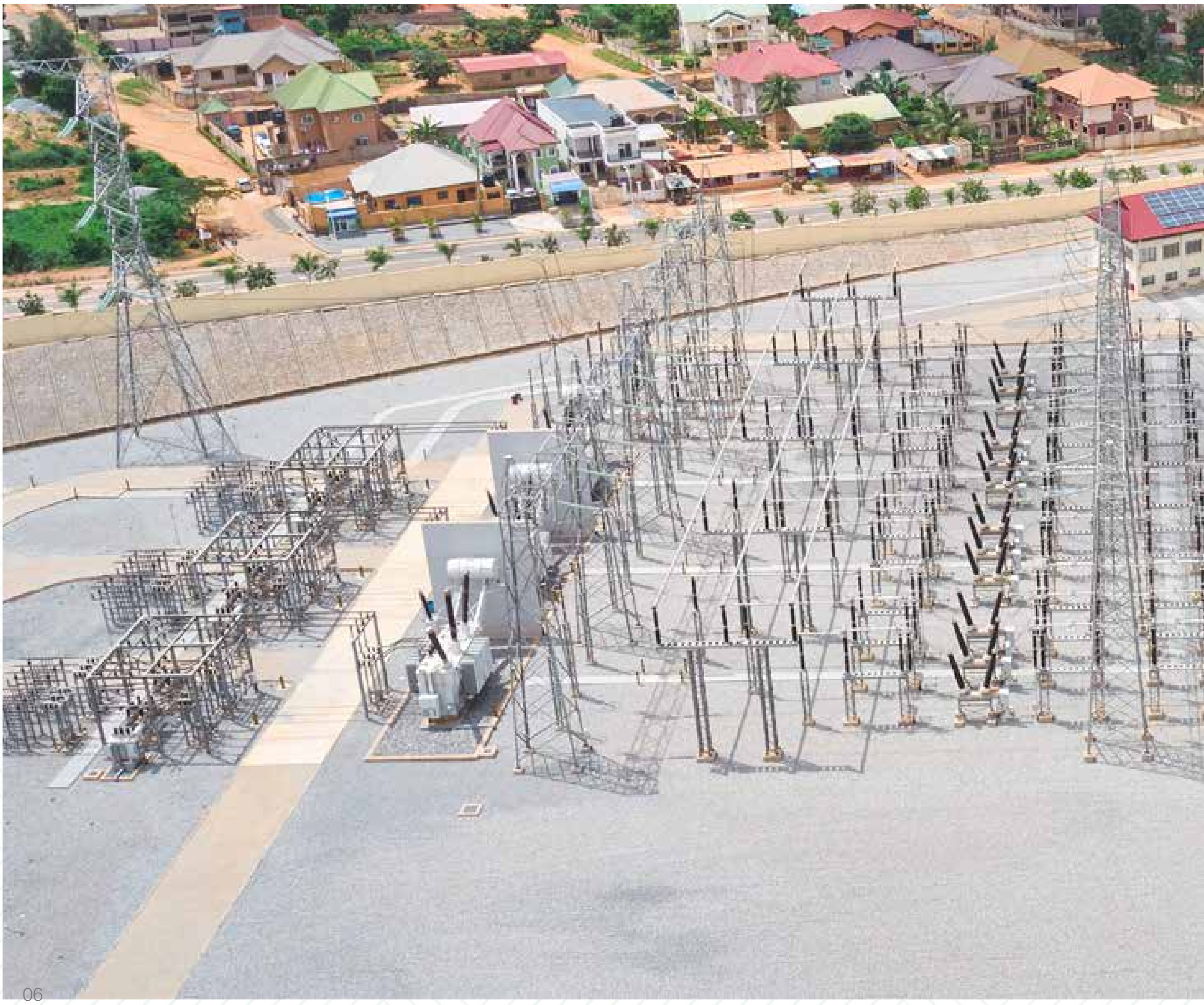
To be a model electricity grid company in Africa.

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)

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

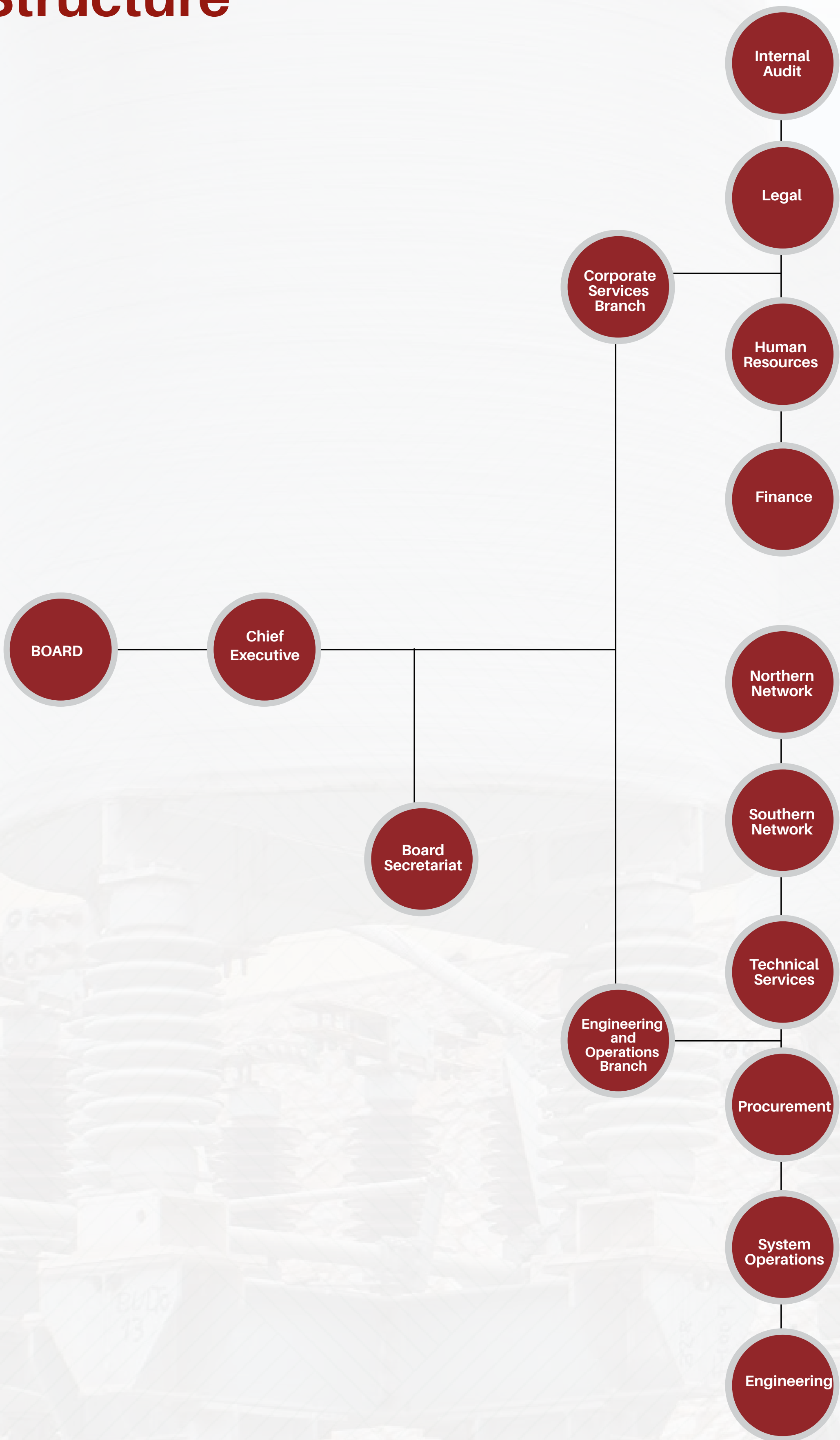
Integrity
We adhere to moral and ethical principles as well as non-discrimination and transparency in our service delivery.

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

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

Care
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

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.

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.

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

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.

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

2023 Corporate Highlights

Peak Demand
3,618 MW

Transmission Availability
99.53%

Energy Transmitted
23,551 GWh

Total Revenue
GHS 2,247.156m

Electricity Access
88.85%

Recognition and Awards

Our Strategy

- Improve Liquidity
- Build Partnerships and Strategic Alliances
- Pursue Digital Transformation
- Ensure Sustainable and Inclusive Growth
- Promote a Good Working Environment

Corporate Governance Statement

The governance of Ghana Grid Company LTD (GRIDCo) is rooted in a comprehensive system of controls and accountability. The rules, practices and procedures which guide the operations and decisions in the Company aim at ensuring that the interests of all stakeholders are appropriately balanced.

The Company is subject to relevant provisions of the Energy Commission Act, 1997 (Act 541), the Public Procurement Act, 2003 (Act 663), as amended, the Public Financial Management Act, 2016 (Act 921); the Companies Act, 2019 (Act 992), good corporate governance practices as promoted under the State Interests and Governance Act, 2019 (Act 990), and any other statutory and legal provisions as well as practices that conform to normative advice on good corporate governance key enactments which guide the Company's activities. The Board of Directors (Board) adheres to the Company's Constitution, the Board Charter and the Policies instituted in the Company.

Board Constitution

The sole shareholder of GRIDCo is the Government of Ghana. In 2021, the shareholder appointed the current nine (9) member Board to steer the affairs of the Company and provide oversight for the effective implementation of strategic objectives, whilst complying with the requirements of the law.

The nine (9) Board members are non-executive members except for the Chief Executive who is responsible for the day-to-day administration of the Company. The competencies, knowledge and experience of the members ensure effective consideration of all matters. The various technical skills, such as financial and legal literacy, knowledge of the power industry, and experience in corporate governance provided the basis for strategic thinking, sound judgement, and good decisions.

Responsibility

The Board performed its duties independently and transparently and sought to deliver the direction for growth, maintain a dynamic management framework, and build trust. To achieve this and in compliance with the provisions of its Charter, the Board, amongst others,

a. liaised with governmental agencies on policy directives which have critical implications for the Company as a going concern and for the fulfilment of government obligations towards the Company;

b. ensured that organisational goals were clearly established and strategies were in place for achieving them;

c. established policies for strengthening the performance of GRIDCo and sought to build the business through innovation, initiatives, technology and the development of human capital;

d. ensured GRIDCo maintained a strong financial position to meet its debts and other obligations when they fell due;

e. ensured the Company adhered to high standards of ethics and corporate behaviour;

f. ensured that resources were available to Management for execution of the Company's mandate.

g. ensured that resources were available to Management;

h. approved and monitored the progress of major capital expenditure; and

i. monitored compliance with all the Company's legal obligations.

Board Meetings

The Board held meetings and made decisions which impacted the direction, policies, and operations of the Company. The meetings presented an opportunity for the Board to demonstrate its commitment to accountability and transparency and ensured that the company was being run in the interest of stakeholders, through the regular review of the Company's progress.

The Board held four (4) Ordinary Meetings, three (3) Emergency Meetings, and twenty-one (21) Board Committee Meetings and seven (7) Audit Committee Meetings.

Delegation of authority

The Board has four (4) Committees that allow it to effectively discharge its responsibilities. These are the Finance and Legal; Industrial Relations and Compensation; Engineering and Operations; and Governance and Compliance Committees. Each of the committees has clearly defined scopes of authority and powers that are reviewed periodically to meet the requirements of the Company.

i. Finance and Legal Committee

The Finance and Legal Committee provides oversight, monitors and report on 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.

ii. 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.

iii. Engineering and Operations Committee

The Engineering and Operations Committee assists the Board to ensure effective and efficient development and management of the National Interconnected Transmission System (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.

iv. Governance and Compliance Committee.

The Governance & Compliance Committee is responsible for providing oversight of the Board's governance system, with the objective of maintaining 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)

The Audit Committee exists, pursuant to requirements in the Public Financial Management Act, 2016 (Act 921). The Committee pursued the implementation of recommendations in internal and external Audit Reports and the preparation of an annual statement showing the status of implementation of various recommendations. The Audit Committee meets specifically to review the effectiveness of the Company's risk management and internal controls and reviews the risks identified and progress of actions taken to manage the risks. Following the review, progress and actions are reported to the Board for further decision-making.

Management Team

The Board considers its relationship with the executive management team a critical factor to the successful management of the Company. The Board approves the strategic plans of the Company and is responsible for ensuring that management understands the expectations of the Company's shareholder, regulators and other key stakeholders. The day-to-day operations of the Company were delegated to the Chief Executive who was supported by the twelve (12) member management team.

Internal Control and Risk Management

The Board acknowledges its responsibility in maintaining a sound system of internal controls relating to financial and operational controls, compliance and risk management.

An Enterprise Risk Management ("ERM") framework, exists to ensure that there is an on-going process of identifying, evaluating, and managing significant business risk exposure. An ERM Committee reviews risk profiles and organisational performance on a quarterly basis and presents a report to the Audit Committee.

Management is accountable to the Board for risk management and internal control and has implemented processes to identify, evaluate, monitor and report risks and to design and implement relevant controls in response to the risks. For this, a Risk Management Unit (RMU) and a Risk Management Committee (RMC) have been established.

The Internal Audit Department submits reports to the Audit Committee on audit issues and implements preventive measures to reduce the risk of fraud and related incidents. The consideration of these reports leads to the prompt resolution of infractions and deviations.

External Auditors

The External Auditors are appointed by the Auditor-General to be an independent body which ensures that the Board and management act responsibly towards the shareholder's interest.

The external auditors provide reasonable assurance and express opinions on the implementation and design of the internal control system, ensure credibility to financial reports, and reduce the risk that information disclosed in the financial statements is biased, misleading, inaccurate, incomplete, or materially misstated. The independent report of the auditors ensures accountability.

Diversity

GRIDCo recognises that its human resource is its most important asset and respects the value contributed to the Company by employing people with varying cultural backgrounds, skills, ethnicity and experience. The Company believes a diverse workforce is an important element of its performance and continued growth. The

Board is committed to providing an inclusive and collaborative environment where differences are valued, and each person can realise their potential. Diversity provides the Company with the best opportunity to continue to deliver exceptional services to its customers.

Engagement with Stakeholders & Reporting

GRIDCo's business strategy relies on the development and maintenance of strong relationships with all stakeholders: the Shareholder, customers, employees, regulatory authorities and the general public. The Board engaged with the Government of Ghana, through SIGA, the Ministry of Energy, Ministry of Finance and Parliament. There were also engagements with Energy Commission, Public Utilities Regulatory Commission, Volta River Authority, the Mines and other stakeholders to maintain a mutual understanding of objectives.

The Board and Management participated in meetings, workshops, and conferences, to deliberate on the Company's needs, plans, and contribution to the energy sector and to provide feedback for continued improvement in the reliability of power supply.

Management, on behalf of the Board, submitted financial and operational performance reports and compliance updates to our regulators and Shareholder. The reporting requirements guided adherence to relevant standards and legal obligations for our Company.

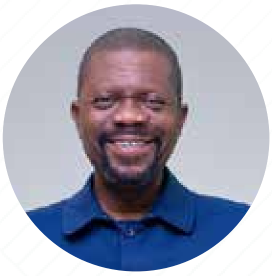
Sustainability

As the sole power transmission company in Ghana, GRIDCo recognises its responsibility to maintain the highest standards of quality, safety and sustainability. The Company's strategic objectives underscore our commitment to be a sustainable and responsible business. GRIDCo seeks to maintain social and environmental value drivers that can impact its long-term value creation and reputation. This is highlighted through the strategy to deliver stronger community relations and clean environment. The Board recognises how environmental, social and governance factors are increasingly shaping the way business is done. GRIDCo continues to transform its business and incorporate gender equity at all levels of decision making and ensure sustainable environmental practices across all its system and network operations.

The Board remains committed to effective governance as it discharges its mandate of overseeing the implementation of strategy by Management and pursuing the Company's best interest.

Board of Directors

Amb. 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

Mrs. Ama Bentsiwa Haywood-Dadzie
Company Secretary


161 kV INCOMER C4
MALLAM BSP 1
CAUTION
HIGH VOLTAGE

Board Chairman's Report

Board Chairman's Report

On behalf of the Board of Directors, I am pleased to present to our Shareholder, a report on the Financial Year 2023.

As the electricity transmission utility and system operator, we continued to focus on the medium and long term to ensure sustainability and we remained committed to driving economic development in an ever-changing economic, social and political environment.

We were focused on creating value for our stakeholders in spite of the economic challenges. The pressing need to modernise the transmission system to ensure reliability led to additional investments in the National Interconnected Transmission System.

We are deeply committed to advancing sustainability and upholding the principles of environmental, social and governance, through continued adherence to established governance principles. We ensured that the implementation of our strategies would make a lasting impact on communities within the country and in neighbouring countries.

FINANCIAL PERFORMANCE

The financial performance of GRIDCo for 2023 indicated a Net Profit of GH¢409.25m. The performance for the year saw a remarkable improvement compared to the preceding year. This upturn was mainly attributable to lower provision for Bad Debts and higher Transmission Revenue. The Net Profit compared favourably with the Net Loss of GH¢ 941.27m for the same period in 2022.

The Company's key customers contribute almost seventy percent (70%) of our revenues. Unpaid bills from these customers impact the cashflow and the ability to effectively carry out operational activities required within the energy sector value chain without facing circumstances of acute financial difficulties.

The Board continuously engaged Management on the effective collection of revenues and diversifying revenue sources by means of provision of enhanced telecommunication services.

COMPLIANCE

Change of Name of Company

Upon incorporation in December 2006, GRIDCo, as a private company limited by shares, was registered as Ghana Grid Company LTD. pursuant to Section 15 (1) of the Companies Act, 1963 (Act 179), (now repealed).

In accordance with section 21(1)(a) of the Companies Act, 2019 (Act 992) and based on a recommendation by the Board, the name of the Company was changed by the Shareholder, from "Ghana Grid Company Limited" to "Ghana Grid Company LTD." The Registrar of Companies approved the name change in August 2023.

Revocation of Regulations and Adoption of Constitution

In 2023 the Registrar of Companies, further to a Special Resolution passed by the Shareholder, approved the revocation of the Company's Regulations and adoption of a new Constitution. The Board considered a key change to company registration requirements, following the repeal of Companies Act, 1963 (Act 179) and with the enactment of the Companies Act, 2019 (Act 992). The change required that the governing charter for a company, previously referred to as "Regulations" should be replaced with a new document referred to as "Constitution". Existing companies like GRIDCo which had filed Regulations were required to adopt a Constitution to replace their existing Regulations.

NEW DEPARTMENTS

Land Management Department

The acquisition, maintenance and security of our Transmission Line Right of Way (RoW) is a key aspect of the Company's business. The integrity of the RoW contributes to the efficitiveness and reliability of power transmission services and the reputation and finances of the Company. Prior to the year 2023, operational functions related to the acquisition, protection and maintenance of the RoW were handled by different Departments within the Company. For effective management and enhanced coordination and focus,the Land Management Department was established to handle all functions related to the RoW and to ensure integrity, security and reliability of the transmission system.

Project Implementation Unit (PIU)

The Board established a Project Implementation Unit (PIU) for the 330kV Ghana-Cote d'Ivoire Interconnection Project in fulfillment of the implementation requirements of the World Bank (WB), the Project Financiers. The PIU has been mandated to also coordinate other donor funded projects including AFD and KfW. The PIU will provide overall project management, contract administration, and construction supervision for all project the PIU is implementing. The PIU is also the coordinating arm between WAPP and GRIDCo on regional projects assigned.

Upon completion, the project will facilitate export of power to La Côte d'Ivoire-Liberia Sierra-Leone-Guinea (CLSG) region.

GENDER POLICY

The Board considered the need to institute a Gender Policy to ensure gender equity and inclusion at all levels of leadership, in line with the National Gender Policy and Sustainable Development Goals.

The policy instituted hinges on gender equity and inclusion at all levels of leadership. The principles in the Policy ensure proportionate equitable participation of men and women in the Company's undertakings and eliminate barriers that adversely impact their contribution to GRIDCo's objectives. The policy is in line with the Sustainable Development Goal number five (5). The policy will have a positive impact on productivity and enhance working conditions for all within the Company.

GOING FORWARD

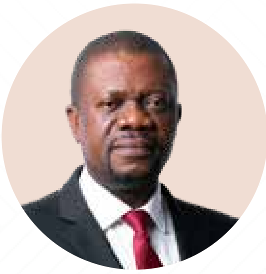
We recognise that our role as the transmission utility makes us a key partner in the energy sector value chain for both domestic supply and supply to neighbouring countries. We are committed to exploring innovative solutions and fostering dialogue with sector partners to develop advanced solutions for addressing challenges in the midst of macro-economic conditions.

CONCLUSION

We are grateful for the support of the Board, Management, employees, State Interests and Governance Authority, financiers, the Ministry of Energy and Ministry of Finance and all partners for assisting us in various ways to create value and provide a sustainable grid for economic development.

AMB. Kabral Blay-Amihere
BOARD CHAIRMAN

Management Team



Ing. Ebenezer Kofi Essienyi,
Chief Executive

Ing. Vincent Boachie,
Director, Engineering

Ing. Samuel Nkansah,
Director, Finance

Ms. Florence Agyei,
Director, Human Resources

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 Acquah
Ag. Director, Office of the C.E

Chief Executive's Report

Chief Executive's Report

On behalf of Management and staff of the Company, I present to you, the progress GRIDCo has made with the implementation of our strategic objectives as of December 31, 2023, in line with the Company's mission and values.

Together with the Management team, I extend my appreciation to the Board, the Government and development partners for the invaluable contribution and steadfast support to the Company's progress.

Ghana's energy sector continues to be dynamic. The power sub-sector has seen progress and has experienced its fair share of challenges and opportunities. Despite improved service delivery in recent years, it is evident that the economic environment has affected the complete implementation of some key initiatives. However, we continue to engage our stakeholders for the required support towards the attainment of our vision.

In June 2023 GRIDCo had the honour of hosting the President, His Excellency Nana Addo Dankwa Akufo-Addo for the formal commissioning of the 161kV Accra Central Bulk Supply Point (BSP), a Gas Insulated Switchgear (GIS) Substation, which incorporates cutting-edge technology and adheres to the highest standards of safety and sustainability. This modern GIS facility was undertaken with a US$40 grant of the Japanese Government. The 161kV substation facility is a significant milestone in the upscaling of the nation's power infrastructure. This GIS Substation has been pivotal in meeting the increasing energy demands of Accra and its surrounding areas and has since its operationalisation in December 2018, enhanced the reliability and quality of electricity supply to the Central Business District and its environs, ensuring improved reliability, uninterrupted power supply for industrial, commercial, and residential users, delivering efficiency, and reducing system losses. We are immensely grateful to the People and the Government of Japan for their support.

Pursuant to the Board's guidance and effective implementation of the company's strategy by Management, the Company received various awards, which acknowledged its influence and impact in the energy sector. These included:

- "Best Sustainable Development Goals (SDGs) Public Sector Company," Fourth (4th) Africa Energy and Sustainability Summit (AESS 2022-2023)
- Maiden Edition of the Think Energy SDGs Awards.
- Four (4) Awards at the Annual National Governance and Business Leadership Awards (NGBLA) 2023 for the Board, Chief Executive, Director Procurement and the Procurement Department.
- Seven (7) Awards at the Women in Mining and Energy Awards (WIMEA), for the "Best Company in Mentorship Programmes and Initiatives 2023" Award, and the recognition of six (6) staff.
- Ghana Energy Awards - Energy Company of the Year (Power) at the 2023.
- National Communications Awards - Communications Team of the Year (Energy Sector).

GRIDCo had nineteen (19) potential applicants seeking connection to the NITS. The processing of these applications and inquiries have progressed through various stages. This reflects the growing demand for access to the NITS infrastructure by potential electricity market participants and their willingness to work with GRIDCo for fair access to the grid.

HUMAN RESOURCE, INDUSTRIAL RELATIONS, TRAINING & DEVELOPMENT

Over the years, GRIDCo has been deliberate about maintaining industrial harmony. Employee relations has been built on trust, fairness and mutual respect. Our staff are motivated to perform at the highest level to achieve optimum results.

In line with fostering a cordial employee relationship, the Human Resource department supported the staff groups in various activities designed to boost morale and enhance productivity. A key example of this was the assistance provided for the Divisional Union Annual Divisional Executive Council (DEC) Meeting and subsequent engagement with the GRIDCo Board and Management to discuss issues relevant to its members and the Company as a whole.

We continued to develop a Competency Framework, which is aimed at assessing the proficiency of staff and facilitating strategic capacity building initiatives to guide all staff to achieve their full potential. Equally important was the project on the Reward Management System, which is in its final stage.

GRIDCo remains committed to gender equality. We continued the partnership with United States Agency for International Development (USAID) to develop the capacity of selected staff and promote relevant engendering concepts that promote equal opportunity for employees in the workplace. GRIDCo currently has a Gender policy in place.

Considering the spate of sophisticated cybercrime in recent times, Management ensured the training of staff on cybersecurity and data protection to safeguard GRIDCo's systems from cyber threats.

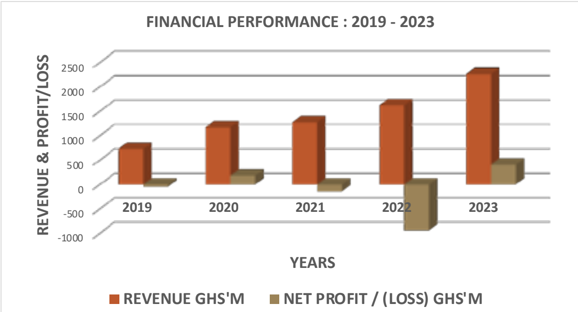
As part of GRIDCo's effort towards bridging the industry-academia gap, the Company engaged Five hundred and Seventy-Seven (577) students from various tertiary institutions, for industrial attachment in various technical and non-technical departments. The Company signed a Memorandum of Understanding (MoU) with the Regional Maritime University (RMU) to promote long-term collaboration between the two institutions.

FINANCIAL PERFORMANCE

The strategic focus for the financial year 2023 is centered on enhancing the robustness of our transmission network systems, promoting business sustainability, and improving revenue management. Our policies were designed to implement cost-effective measures and processes specifically aimed at achieving operational and financial efficiency.

For the financial year concluding on December 31, 2023, the total energy transmitted reached 23,551 GWH, representing a notable increase from 21,545 GWH transmitted in 2022, which corresponds to a growth rate of 9.3%.

Total revenue for the year amounted to GHS 2,265.457 million, compared to GHS 1,622.324 million in 2022, reflecting an increase of 39.6%. This increase can be attributed to a rise in regulatory tariffs by 7.5% for consumers, alongside a significant uptick in energy transmitted driven by heightened electricity demand.



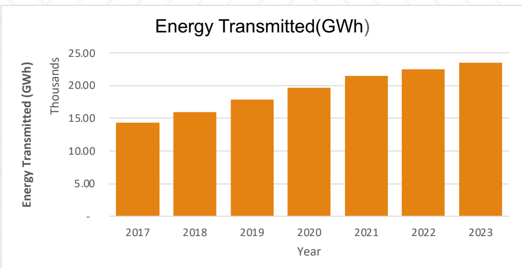
REVENUE AND NET PROFIT (2017 - 2023)

Additionally, the net profit after tax amounted to GHS 409.246 million, contrasting with a loss of GHS 941.272 million reported in the previous financial year. This shift represents a growth of 143.5%. The increased profitability was primarily a result of a substantial reduction in the impairment of receivables during this financial year.

As of December 31, 2023, the outstanding indebtedness owed by related parties stood at approximately GHS 4,267.132 million, a rise from GHS 3,155.204 million in the prior year, indicating an increase of 35.2%. This accumulation of receivables has had a significant impact on the financial health and operational efficiency of the company.

Moreover, the Public Utilities and Regulatory Commission (PURC) has implemented an upward adjustment in the transmission service charges (TSC), increasing the rate from 7.909 Gp/Kwh in the previous year to 8.4987 Gp/Kwh. It is noteworthy that the transmission loss threshold established by the PURC has remained unchanged at 4.1%, maintaining stability in regulatory parameters.

POWER TRANSMISSION

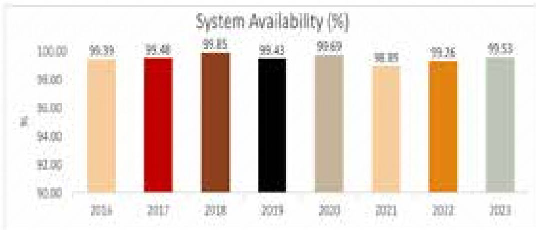


From 2017 to 2023, the NITS experienced a remarkable and steady transformation in energy transmission. The energy transmitted in 2017 was 14,308.08 GWh. Since then, the system experienced a consistent upward trajectory, reflecting both increased in operational capacity and the rising energy demand.

In 2018, the energy transmitted grew by 11.56%, reaching 15,960.36 GWh. This significant increase was followed by an even more impressive growth rate of 12.08% in 2019, where the transmission increased to 17,886.85 GWh. This increase in energy demand over the period correlates with economic growth rates above 6%, as reported by the Ghana Statistical Service.

In 2020, the energy transmitted increased by 10.23% to 19,716.59 GWh, marking another year of substantial gains. However, the energy demand growth rate began to decline in 2021, with an 8.87% rise to 21,466.26 GWh. In 2022, the growth rate further declined to 4.71% (22,478.46 GWh) and a similar 4.78% (23,550.99 GWh) was recorded in 2023. The reduction in energy demand growth from 2021 to 2023 is closely linked to the decline in economic growth as published by the Ghana Statistical Service. Despite this deceleration, Management remains committed to improving operational efficiency through grid modernisation and advancing energy reliability initiatives.

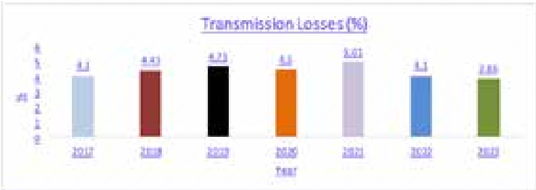
SYSTEM AVAILABILITY (2017 - 2023)



GRIDCo's transmission system availability performance has been outstanding over the past three years, underscoring our dedication to reliability and efficiency. In 2021, transmission system availability was 98.89%, indicating 1.11% downtime. This impressive performance further improved in 2022, reaching 99.26% availability with downtime reducing to 0.74%.

In 2023, we achieved 99.53% availability with only 0.47% downtime and no record of total system collapse during the year. These consistent improvements reflect our effective maintenance and vegetation control strategies, efficient grid management, and investments in modernisation. While we fell short of the regulatory benchmark of 99.94% transmission system availability, GRIDCo has consistently worked to meet the nation's reliability requirements.

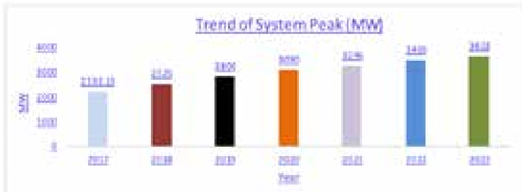
TRANSMISSION LOSSES (2017 - 2023)



The steady decline in transmission losses highlights GRIDCo's commitment to optimising grid operations through investing in modern infrastructure and implementing efficient technologies. An improvement of 1.15 percentage points over the 2022 performance translates to significant cost savings and reduced environmental impact.

Although there was an increase in energy transmitted from 2021, GRIDCo achieved a substantial reduction in power transmission losses from 5.01% in 2021 to 3.86% in 2023. This improvement is largely due to the successful commissioning of the 330kV transmission line section from Anwomaso to Kintampo which formed a part of the 330kV Kumasi to Bolgatanga Transmission Line, coupled with enhanced dispatch efficiency. These strategic infrastructure upgrades and operational optimisation have significantly improved the transmission capability, resulting in reduced energy losses and cost savings. GRIDCo continues to work to achieve transmission losses below the regulatory benchmark of 4.1%.

SYSTEM PEAK DEMAND (2017 – 2023)



GRIDCo has recorded a steady increase in peak demand over the past three years, demonstrating growth in electricity consumption and economic activity. The following are noted:.

- In 2022, peak demand increased by 4.5%, reaching 3,469 MW.
- In 2023, peak demand rose to 3,618 MW, representing a 5.5% increase from the previous year and a 12.1% increase from 2021

Investments in grid infrastructure and capacity upgrades have enabled GRIDCo to meet the growing demand whilst maintaining a high level of reliability and efficiency. GRIDCo will continue to monitor and prepare for future demand growth, ensuring the resilience and capability of the grid to meet the evolving needs of customers

OCCUPATIONAL HEALTH AND SAFETY

In 2023, the Company relentlessly engaged in a variety of activities in pursuit of its Health & Safety mandate. In a bid to reduce accidents among maintenance staff and contractors, Job Hazards were reviewed for inclusion in the Safety Standard Code. Our Safety Coordinators were trained by internally recognised facilitators and these Coordinators also completed OSHA certification courses.

Fire Risk and Safety Assessments were also successfully conducted at all GRIDCo installations.

TRANSMISSION LINE (PROTECTION) & MAINTENANCE ACTIVITIES

In 2023, GRIDCo enhanced its ability to monitor transmission lines and acquisition of RoW by acquiring drones to survey, track, monitor, detect and report on faulty transmission lines for speedy attention, and the effective management of the Right of Way. To ensure professional and optimum usage of the equipment, six (6) engineers completed a two-week operational training in France. Further certifications from the Ghana Civil Aviation Authority (GCAA) for the trained engineers will enable effective monitoring of all GRIDCo's transmission lines using the Drones.

To enhance maintenance practices and minimize outages, GRIDCo has initiated plans to implement live-line maintenance procedures to complement the existing maintenance works on the transmission line. To facilitate this initiative, a consultant is being engaged to evaluate the suitability of the existing live-line work tools, assist GRIDCo in developing a live-line policy and train line maintenance staff on live-line maintenance procedures.

Additionally, steps were taken to address conductor and tower member theft along the Essiama-Efasu-Elubo transmission line corridor. Repair works, including the restringing of conductors and repair of cross-arms and other associated accessories on vandalized sections of the transmission line were carried out.

RIGHT OF WAY MANAGEMENT ACTIVITIES

The maintenance of Right of Way and the transmission line infrastructure is key to the delivery of reliable power in the country.

Following the decommissioning of the Osagyefo Barge, miscreants operating in multiple groups targeted GRIDCo's transmission line infrastructure from Essiama through Effasu to Elubo, vandalizing some 49 kilometers of double circuit line and 7 kilometers of single circuit lines. The timely intervention of security agencies, GRIDCo security and Maintenance staff in the Western Region led to the arrest and prosecution of some culprits who attempted to sell the stolen materials

As part of efforts to curb the vandalisation of this infrastructure, a six-week public educational engagement with stakeholders in Esiama in the Western Region and its environs were conducted.

Additionally, major towns and cities in various locations of the country saw the removal of encroachers and unauthorized structures within the Right of Way (RoW). Despite these pragmatic interventions, the threat to GRIDCo's Transmission Line infrastructure remains high due to emerging threats in other areas along the transmission lines.

GHANA WHOLESALE ELECTRICITY MARKET (GWEM) PROJECT

GRIDCo is actively advancing the Ghana Wholesale Electricity Market (GWEM) Project, which seeks to guarantee fair, transparent, and unbiased procurement and distribution of electricity from Wholesale Suppliers to Bulk Customers and Distribution Companies. The GWEM will operate under Market Rules formulated by the Electricity Trading Unit (ETU) and sanctioned by Energy Commission.

Various stakeholders have been continuously engaged in the review of the Electricity Market Rules, including the Electricity Market Oversight Panel, (EMOP) and the Energy Commission (EC). The Parliamentary select committee on Mines & Energy and the National Development Planning Commission (NDPC) were also engaged in the course of the year on the implementation of the GWEM, to ensure that all stakeholders are well-informed about the GWEM and its implications. Following the review by stakeholders, the GWEM Project Team is revising the Market Rules to incorporate feedback

OUTLOOK FOR 2024

We expect that power supply reliability would improve, particularly, as we continue to implement various key transmission projects across the country, including the 161kV Kumasi-Konongo Transmission Line project. We continue to explore opportunities which will diversify the Company's revenue sources and make it sustainable.

The management and prevention of RoW encroachments in our cities and some mining and forest communities are being tackled to ensure uninterrupted supply of electricity. Management will continue to ensure compliance with current legislation, which includes the Volta River Authority (Transmission Line Protection) Regulations. 1967 (LI542) and the Volta River Authority (Transmission Line Protection) (Amendment) Regulation, 2004

(L.I.1737) and is considering various approaches to improve the enforcement and is developing a policy to guide more sustainable management of the transmission corridors.

Financing of GRIDCo's operations and business remains one that requires continuous attention, collaboration and support from key stakeholders. Increasing receivables from our major customers affect efficiency of our operations negatively. Honouring obligations for projects and adhering to regular maintenance schedules require sufficient financial resources. Management will continue its stakeholder engagements and collaborations with utility partners in the energy sector value chain particularly, in relation to the effective implementation of the Cash Waterfall Mechanism (CWM).

Our hardworking staff will continue to receive the relevant tools, training and support to enable their effective contribution to access, security and reliability of power in the country. We will enhance staff awareness in cyber security management and relevant regulations to maintain compliance with key governance requirements.

We recognise the value of that strategic stakeholder relationships with governmental entities, utility partners, clients, sub-regional collaborators like WAPP member states and international funding partners will remain a key part of GRIDCo's strategy to execute its mandate

CONCLUSION

On behalf of Management, I extend my heartfelt appreciation to the Government of Ghana, Board, Staff and partners for the tremendous support throughout the year 2023. As we continue to fulfil our mandate, we look forward to recording an even more rewarding year in 2024.

Thank you.

……………………………………

Ing. Ebenezer Kofi Essienyi
CHIEF EXECUTIVE

Corporate Social Responsibility Initiatives

In line with GRIDCo's commitment to sustainable business practices, Corporate Social Responsibility (CSR) initiatives for the 2023 business year focused on critical areas including Healthcare, Education, Community/Stakeholder engagement, and Empowering women in STEM. These efforts are aligned with various Sustainable Development Goals (SDGs) to foster a positive impact on society.

Healthcare

Healthcare and treatment for various diseases remain challenging for many. It is for this reason that GRIDCo continues to support various charitable organisations which have a commitment to improving the health needs of others. The company supported various health care initiatives.

In pursuit of our corporate commitment to aid heart surgeries, GRIDCo donated to the 'Ghana Heart Foundation'. Another area receiving support is cancer treatment. GRIDCo extended support to an NGO dedicated to supporting children affected by cancer, 'Lifeline for Childhood Cancer, Ghana'. This contribution was aimed at assisting the foundation in raising funds to support children affected by cancer. In addition, GRIDCo made a significant contribution to Narh-Bita Hospital, to facilitate hydrocephalus surgeries for children in need living in communities served by the hospital.

Education

GRIDCo values education at all levels and thus spent on various projects across basic through to tertiary educational institutions.

As part of GRIDCo's ongoing Nine4Nine initiative, designed to enhance education in its operational areas, the company undertook a major rehabilitation project at a basic school in the Techiman North District of the Bono East Region which hosts the Techiman Operational Area. This project, included the renovation of a 2-unit block comprising 5 classrooms, provision of teaching and learning materials, newly built washrooms, playground equipment, and the installation of essential amenities such as electricity and water for the Asueyi Community Daycare and KG School. This project not only prevented the closure of the school but also transformed it into an ultramodern facility conducive for learning.

Two Senior High Schools also benefited from GRIDCo's education support. At the Navrongo Senior High School in the Upper East Region, a corporate donation was provided to construct two mechanized boreholes to address the water supply needs of the school. Improved access to water benefits about 2,073 students and 180 members of staff. In addition, GRIDCo contributed to Holy Child Senior High School for the construction of a kitchen storeroom, enhancing the functionality of the dining area.

To further support education, the Nana Saka Nkansah School Complex, which includes an orphanage, was provided with food and necessities.

KNUST Donations

GRIDCo has a strong partnership with the Kwame Nkrumah University of Science and Technology (KNUST) in particular, the College of Engineering which the company has been supportive of as a partner in engineering training (and STEM).

GRIDCo presented 10 laptops in support of the KNUST Vice Chancellor's one laptop per student programme. GRIDCo presented a cheque to rehabilitate the Levine Hall-, which has been out of use due to disrepair -, into an ultramodern conference facility aimed at enhancing conducive teaching and learning experiences.

Community and Stakeholder Engagements

In October 2023, the aftermath of the Akosombo and Kpong Dam spillage caused significant displacement and property loss in the South, Central, and North Tongu districts of the Volta Region. GRIDCo initiated the provision of various relief items. These items included food, purified water, mosquito nets, toiletries, and sanitary pads to support the flood affected and displaced residents.

Other corporate donations went to the Ghana Armed Forces in support of the 2023 West African Soldiers Social Activities (WASSA).

In response to a severe potable water crisis in Prestea, a mining community in the Western Region, GRIDCo collaborated with its 2023/2024 National Service Personnel to provide potable water by tapping into a safe spring and connecting it to a well-designed water structure with two reservoir tanks.

The Ghana Institute of Engineering (GhIE) which is a longtime professional partner organisation of GRIDCo also received support for its 2023 flagship activities. The continuing support acknowledges the GhIE's professional role and its large membership of GRIDCo engineers.

Another group of stakeholders GRIDCo continues to support are traditional authorities in the areas where it operates. In the Northern Region, GRIDCo supported the construction of Choggu Naa's Palace and the 2023 Damba festival. In the Western Region, GRIDCo contributed to the Western Regional Development Conference organised by the Paramount Chief of Essikado, which serves as a platform for strategic deliberations on regional development.

Additionally, GRIDCo enhanced safety and visibility by providing 50 streetlight bulbs to the Asawinso 'A' Electoral Community, near the Asawinso 161kV Substation.

Empowering Women in STEM

In line with GRIDCo's continued effort to promote women in Science, Technology, Engineering, and Mathematics (STEM), GRIDCo supports various entities that align with this value.

In support of International Women's Day, GRIDCo supported the GRIDCo Ladies Association.

GRIDCo also donated to the KNUST annual 2023 STEM Girls Camp as well as the 2023 Women in Mining and Energy Awards program.

Finally, GRIDCo joined other sponsors in the Energy Sector Value Chain for the 2023 Women in Energy Conference. GRIDCo provided a sponsorship contribution, underscoring GRIDCo's commitment to empowering women in the energy sector.

Other Operational Reports

Telemetry & Billing System

Various initiatives were carried out to improve billing processes, data collection and monitoring within the transmission network and across various Operational Areas. A key project, the Telemetry Project has successfully linked over 400 billing metering points, including Line, Generator, and Load meters, to the Converge System. Additionally, the project has achieved seamless integration with the Management Information System (MIS) internal application. This integration facilitates the smooth processing of meter data for different departments and sections within the organisation, ensuring accurate billing confirmation and providing a platform to address any billing issues related to Market Participants.

The Telemetry project is also integrated with the Enterprise Resource Planning (ERP) system. This integration enables the direct transfer of metering data for billing purposes, thereby streamlining the billing process and enhancing overall efficiency.

A pilot has been initiated with relevant stakeholders to ensure that bills of transmission services generated are prompt and accurate. This will soon be rolled out permanently for all bulk clients.

SCADA Activities

The SCADA NMS and Telecommunications system upgrade project continued within the year. As part of the project, teams from Hitachi Energy Sweden visited Ghana to hold a Design Specifications workshop, conduct an EMS audit and a health check on the SCADA NMS system.

The SCADA team provided support to the Network Telecom Operator team during the commissioning of the new Fox 615 at the System Control Centre. SCADA communication link connections on the old Fox 615 were then migrated to the new system. By the end of the year under review, the Network Management System (NMS) was communicating with the SCADA remote equipment on the new Fox 615.

In preparation for site installation of the new NMS10, under the SCADA upgrade project, the SCADA team gathered data on transformers and line generators amongst others, which are required as input for some new applications to be installed on the NMS 10.

Other System Maintenance Activities

We carried out routine annual maintenance works were carried at substations across the NITS.

Other key activities undertaken to maintain the integrity of the NITS were:

a. The supervision of the relocation of CSquared equipment at Winneba Substation from the Control room to the Station Services room. Noise levels of the equipment have been reduced.

b. The successful execution of annual re-calibration of protection relays on major lines, including the Prestea – Bingerville transmission line at Prestea 225kV Substation.

c. Conducted Ground Patrol along over nine thousand (9,000) circuit kilometres of various transmission lines. .

d. Conducted Security Patrol along almost three thousand (3000) kilometres of various transmission lines to check for acts of tower vandalism and Right-of-Way (ROW) encroachments..

e.Conducted Tower Audit and Climbing Maintenance on over Five Hundred (500 No.) ....towers along various transmission lines.

f. Inspected over Five Hundred (500) kilometres of bulldozer vegetation clearing works by contractors on the transmission lines Right-of-Way (ROW).

g. Overhauled and serviced On-Load Tap Changers (OLTCs) for selected substation transformers.

h. Performed trip tests on protection systems for the transformers, reactors, capacitor banks and their associated feeders at all substations; all transmission lines terminating at several substations.

i. Conducted checks on alarm and annunciation systems for transmission lines, transformers, reactors and feeders at all substations.

j. Carried out infrared thermographic scan on equipment terminations at all substations in the Operational Areas.

Network Performance Indices

Over the years, the Company has exceeded the PURC's target for various network performance indices. In 2023 regulatory targets for all indices were exceeded. These included:

a. Average Transmission Line Availability was 99.87% compared to the regulatory target of 99.00%.

b. Average Transmission Line Outage Frequency was 0.35, compared to the regulatory target of 0.80.

c. Average Transformer Availability was 99.94% compared to the regulatory target of 99.20%.

Telecommunication Network Operations

To ensure a robust telecommunication network, station inspection and routine maintenance activities were carried out on communication equipment at all substations. Free fibre cores at all substations were also audited. Over eight hundred (800) optical ground wire (OPGW) junction boxes of various transmission lines were inspected.

Special Power Systems Studies

Various transmission projects were implemented to guarantee the safety, reliability, and stability of the NITS. Some of the key ongoing and completed projects in 2023 were:

COMPLETED

1. 2023 Annual Electricity Supply Plan (ESP)

Consultant: Engineering Department, GRIDCo

Project Brief: The Supply Plan is the operations planning report for the Ghana power system. It outlines projections for electricity demand and supply in the year under review and the strategy for delivering electricity generation, transmission, and distribution services on the Ghana Power System.

The report took a critical view at the Transmission System Outlook for the year 2023 and made recommendations for the reinforcement of the NITS to improve its reliability and adequacy for power evacuation in Ghana. It outlines projections for the medium term, making recommendations to address identified challenges and conduct analyses into supply adequacy for the medium term.

The 2023 Electricity Supply Plan was completed and distributed to key stakeholders.

2. National Electricity Grid Code Review

Consultant: System Operations Department, GRIDCo

Project Brief: In 2023, the review process for the Ghana Electricity Grid Code was successfully completed. A draft of the reviewed Code was presented to all sector agencies/stakeholders for comments.

3. Ghana Generation and Transmission Master Plan

Consultant: Fichtner GmbH & Co KG, Germany.

Cost: USD 1,034,903.00
Financier: KFW

Project Brief: This project is to review, evaluate, determine and rank all possible generation and transmission options, and recommend the most optimum and sustainable generation and transmission expansion plans needed to meet the Ghana's forecasted demand for electricity in a less-costly manner.

The tender evaluation was completed and the project financier, KfW provided its No-Objection Report to the tender evaluation report.

A contract Negotiation meeting was held between GRIDCo, Fichtner and KfW. Subsequently, the contract was signed between GRIDCo and the consultant, Fichtner.

Engineering Projects

1. B5 Plus Transmission Line and Substation Project

Contractor: Ghana Grid Company LTD. (GRIDCo)
Cost: USD 5,063,866.27 +GHS 12,410,993.83
Financier: B5 Plus

Project Brief: The project involved the construction of a 330/34.5kV Substation equipped with 1No. 120/145MVA Transformer and associated Balance of plant at the B5 Plus Steel Plant yard and the construction of a 2km 330kV double circuit-twin bundle TERN conductor. The transmission line works involved breaking into the 330kV Asogli - Dawa line to serve the B5 Plus Steel Plant.

All major works at the substation have been completed and the substation was energised on March 1, 2023.

All remedial works identified before the energisation of the line have been completed. The line is under defects liability.

2. Provision of Two (2No.) 161kV Transmission Line Bays at Anwomaso Substation

Contractor: Energy Ventures Ghana Limited (EVL).
Cost: USD 383,985.00 + GHS 2,508,772.16

Financier: GRIDCo

Project Brief: The Contract for the provision of two (2No.) line bays at Anwomaso involves equipping two (2No.) existing vacant bays for the termination of 161kV transmission lines from the Ameri Switchyard to be relocated from Aboadze. The Contract for the provision of the two (2No.) line bays was awarded to Energy Ventures Ghana Limited (EVL).

All equipment foundation works have been completed; SCADA Panel positioned and all modules installed and powered; Laying of protection and control cables from switchyard to 161kV control room completed and Site Acceptance Test commenced.

3. Supply and Installation of Sixteen (16No.) Differential Protection Relays for Eight (8No.) Short Lines of the National Interconnected Transmission System (NITS)

Contractor: CIWE-PCIS JV
Cost: USD 396,956.07
Financier: GRIDCo

Project Brief: The contract for the Supply and Installation of Sixteen (16No.) Differential Protection Relays for Eight (8No.) Short Lines of the National Interconnected Transmission System (NITS) was awarded to CIWE-PCIS JV.

The contractor installed Relays in five Operational Areas (Accra, Tema, Kumasi Takoradi and Prestea).

ONGOING PROJECTS

1. Reconstruction of the 24km Section of 161kV Konongo – Kumasi Transmission Line (J2K)

Contractor: Energy Ventures Ghana Limited (EVL)
Cost: USD 4,669,471.14 +GHS 20,730,840.60
Financier: GRIDCo

Project Brief: The works under the project cover the reconstruction of the existing 24km Section of the 161kV single circuit Kumasi-Konongo transmission line into a double circuit line, using the existing corridor. This is to create an alternate path for power flow to Kumasi (K1 BSP) during the reconstruction of the 161 kV Anwomaso Kumasi (AW1K) transmission line, by using the 161 kV transmission line materials supplied for the original B5 plus transmission line works to upgrade the 24km section of 161kV Konongo - Kumasi Transmission line

82No. tower foundations were completed out of 83No. 63No. towers have been erected and 67No. towers have been decommissioned.

By the end of 2023, the overall progress of works was estimated at 69% completed.

2. Installation of Phasor Data Concentrators (PDCs) at Various Locations

Contractor: PCIS
Cost: USD 904,760.00
Financier: GRIDCo

Project Brief: The scope of works shall include installation of Nine (9No.) Phase Data Concentrators (PDCs) at identified substations namely - Smelter II, Collector, Nkawkaw, Nayagnia, Kintampo, Anwomaso, Adubiliyili, Pokuase, and Aboadze 330kV Substation. The contract has been awarded to Power Commissioning Installation Solutions.

The status of work at the end of the period was as follows:

- Phasor Data Concentrators (PDC) panels were delivered to Smelter II and Collector Substations.
- Phasor Data Concentrators (PDC) panels for Nkawkaw, Anwomaso, Kintampo, Adubiliyili, and Nayagnia were delivered.
- Phasor Data Concentrators (PDC) panels for Pokuase and Aboadze are expected to be delivered by early January 2024.

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

Contractor: Elsewedy Transformers
Cost: USD 6,613,050.00
Financier: GRIDCo

Project Brief: The Contract for the Supply of four (4No.) 161/34.5kV,120/145MVA Power Transformers was awarded to Elsewedy Transformers. This is to provide firm transformer capacity at various substations and to meet expected large increases in load.

The scope of work covers the design, manufacturing, testing, supply and inland transportation of various quantities of mandatory spares and 161/34.5kV, 120/145 MVA Power Transformers to the Accra East Substation, Achimota Substation, Kumasi Substations.

Engineering, Procuremnets and manfactuering activities were at various stages of completion

The status of work at the end of the period was as follows:

- Factory Acceptance Test (FAT) for two of the transformers was successfully undertaken in early December 2023.

Overall completion was estimated at 85%.

4. 50MW Yendi Solar Power Plant

Contractor: First Sky
Financier: Bui Power Authority

Project Brief: This involved the construction of a grid solar power plant. It also involves the construction of about 4Km single circuit 161kV transmission line to break into the existing Yendi – Tamale transmission line and the construction of a 161kV/34.5kV substation including balance of plants to be connected to the 100MW solar plant.

Haulage of 161kV equipment and support structures from Tema to Yendi was ongoing by the end of the period.

5. Namdini Gold Project

Contractor: JV XD-AA.

Cost: USD 9,927,816.76 +GHS 34,791,462.00

Financier: GRIDCo

Project Brief: This project involves the extension of 161kV supply to the Cardinal Resources mine site at Namdini by breaking into the existing 161kV Transmission Line from Bolgatanga to Tamale and constructing a 26km 161kV double circuit line from the break-in point to the Namdini Site. This is to provide power supply infrastructure to facilitate operation of the mines

Cardinal Namdini Mining Limited is the Employer and the Project Consultant is Ghana Grid Company LTD.

As of December 2023, the overall completion level was estimated at 35%.

6. Construction of 161kV Transmission Line and 161/11.5kV Substation at Newmont Ahafo North Project

Contractor: Eiffage Energie Systems (Substation) and CSI Energy Group (Transmission Line)
Cost: USD 598,198.00 + GHS 58,892.00
Financier: Newmont

Project Brief: Supply, construction, erection, installation, testing, commissioning, energisation and handover of 161/34.5kV Substation and Transmission Line to Newmont Ahafo Mines to ensure reliable power supply to the mines.

161kV transmission line contractor was mobilised to the site. The status of work at the end of the period is as follows:

- Bush clearing activities
- Excavation of tower foundations continued. Fourteen (14No.) tower locations were completed.
- Stub Setting in progress, with a total of Four (4No.) tower locations completed by the end of the period.
- Casting of tower foundations continued, with 15.56% completed by the end of the period.

- A commulative amount of 95.6% was completed by the end of the period

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

Contractor: PCIS
Cost: USD 729,147.00
Financier: GRIDCo

Project Brief: The contract for Replacement of the Volta Control Room Mimic Panels and Bus-Bar Protection was awarded to PCIS. The aim is to replace the defective panels currently in operation at the existing substation.

The works to be carried out include the design, testing, supply, transportation to site, construction, and erection as well as commissioning and remedying any defects for the replacement of the Volta Control Room Mimic Panels and Bus-Bars Protection System. The Contract became effective in March 2023.

The status of work at the end of the period was as follows:

- General Arrangement (GA) and Single Line Diagram (SLD) of the Busbar panel and

- Mimic control panel have been approved.
- The SEL Relay models for the busbar protection panel have been approved.
- Equipment layout in the 161kV substation control room has been approved.
- 161kV Mosaic Mimic panel has been approved and is being manufactured.
- Marking out of new equipment locations completed.

9. Emergency Procurement of 2No. 330/225kV Auto-Transformers with Phase Shifting Capabilities

Contractor: Baoding Tianwei Baobian Electric Company Limited (BTW).
Cost: USD 6,232,000.00
Financier: GRIDCo

Project Brief: The Contract for Procurement of 2No. 330/225kV Auto-Transformers with Phase Shifting Capabilities was awarded to Baoding Tianwei Baobian Electric Company Limited (BTW). This project is to increase export capacity and power transfer capability at Nayagnia Substation.

The scope covers the design, manufacturing, testing, supply and inland transportation to Nayagnia Substation of 2No. 330/225kV, 220/250 Autotransformers with Phase Shifting Capabilities. The Contract awarded to BTW became effective on December 15, 2022.

The status of work at the end of the period was as follows:

- Manufacturing of the two units of the autotransformers has been completed.
- The FAT for the autotransformers has been successfully undertaken and the two Autotransformers have been shipped from China. The Estimated Time of arrival for the autotransformers is first quarter 2024.

10. 161kV Kumasi (K1BSP) - Anwomaso (K2BSP) Transmission Line Upgrade Project

Consultant: GOPA-International Energy Consultant, Germany
Cost: USD 598,198.00 +GHS 58,892.00
Financier : Agence Française de Développement (AFD)

Project Brief: The contract between GRIDCo and GOPA-International Energy Consultant of Germany for the Consultancy Services for Project Management and Construction Supervision of the upgrade Project was signed.

The tender evaluation for the selection of the contractor for the construction was completed by the end of 2023. And the evaluation report forwarded to the project Financier AFD for consideration for no-objection.

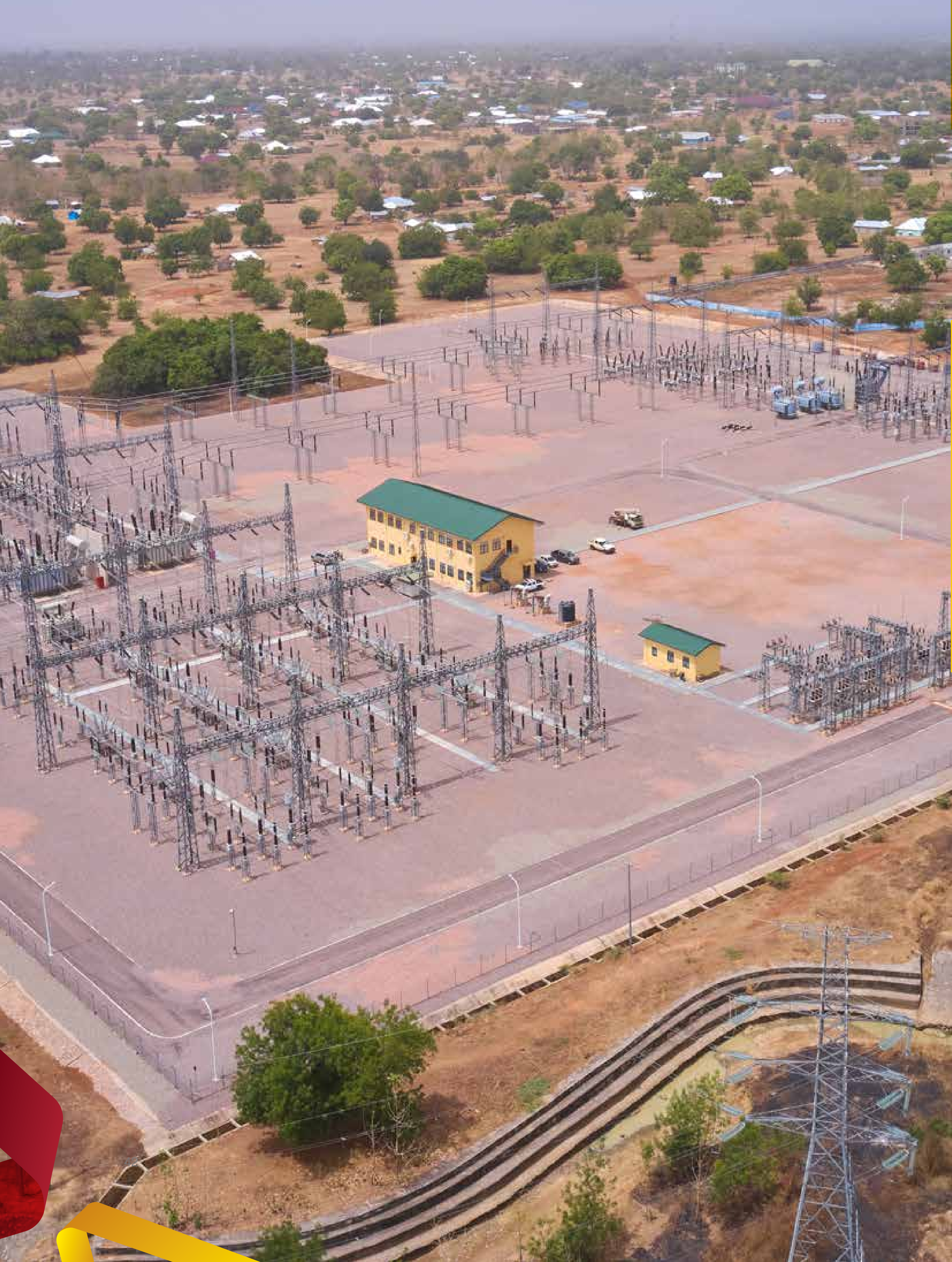
11. 330kV ACCRA – KUMASI TRANSMISSION LINE PROJECT

Contractor: N/A
Cost: Estimated at 150M Euros
Financier: KfW (German Investment and Development Bank)

Project Brief: The request for proposal (RFP) for Environmental and Social Impact Assessment /Resettlement Action Plan (ESIA/RAP) was issued to shortlisted firms on November 3, 2023. Tender Evaluation for the selection of a consultant was ongoing by the end of the year.

The Pre-Qualification Document (PQ) for the engagement of an Owner's Engineer was issued to interested firms on October 9, 2023 and fourteen (14) applications were received on November 9, 2023. Evaluation of applications received was in progress by the end of the period.

The bidding documents for the engagement of a contractor for the execution of the project were reviewed and submitted to KfW for a No-objection Report.



Audited Financial Statements

Report of the Directors
For the year ended 31 December 2023

The Directors present their report and the financial statements of Ghana Grid Company LTD ("GRIDCo" or "the Company") for the year ended 31 December 2023.

Statement of Directors' responsibilities

The directors are responsible for the preparation and the presentation of these financial statements in accordance with IFRS Accounting Standards as is used by the International Standards Board 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, and which enables them to ensure that the financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board and it is in the manner required by the Companies Act, 2019 (Act 992). 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.

Report of the Directors
For the year ended 31 December 2023

Financial statements/business review

The financial results of the Company for the year ended 31 December 2023 are set out in the financial statements, highlights of which are as follows:

	2023	2022
	GH¢'000	GH¢'000
Profit/loss before tax	**550,881**	(805,548)
Loss after tax	**409,245**	(941,272)
Total assets	**12,090,248**	8,611,235
Total liabilities	**6,930,292**	5,724,699
Total equity	**5,159,956**	2,886,536

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 2023 (2022: 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

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¢432,000 (2022: GH¢360,000).

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 9th October, 2024 and signed on their behalf as follows:

KABRAL BLAY-AMIHERE
Name of director

Signature

9th October, 2024
Date

Ebenezer Essienyi
Name of director

Signature

9th October, 2024
Date

Independent auditor's report
To the Shareholder of Ghana Grid Company LTD.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Ghana Grid Company LTD., set out on pages 51 to 103, which comprise the statement of financial position as at 31 December 2023, 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 material 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 2023 and the financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana and the requirement of 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 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.

Independent Auditor's Report
To the Shareholders of Ghana Grid Company LTD

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 IFRS Accounting as issued by International Accounting standard Board 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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

10th October, 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

10th October, 2024

Statement of comprehensive income
For the year ended 31 December 2023

	Notes	2023 GH¢'000	2022 GH¢'000
Revenue	8	**2,265,457**	1,622,324
Direct costs	9	**(827,755)**	(570,230)
Gross profit		**1,437,702**	1,052,094
Other income	10	**470, 295**	300,504
Impairment loss on trade receivables	36(b)(ii)	**(230,385)**	(1,223,398)
General and administrative expenses	13	**(230,711)**	(222,597)
Operating profit/(loss)		**1,488,874**	(93,397)
Finance costs	14	**(906,982)**	(731,521)
Finance income	15	**10,962**	19,370
Profit/(loss) before taxation		**550,881**	(805,548)
Income tax expense	16(a)	**(141,636)**	(135,724)
Profit/(loss) for the year		**409,245**	(941,272)
Other comprehensive income:			
Items that will not be classified to profit or loss:			
Revaluation of property, plant and equipment and intangible assets	18(b)	**2,481,863**	1,649,031
Remeasurement of defined benefit liabilities	27(b)	**16,890**	(65,803)
Related tax	16e	**(634,579)**	(533,481)
Other comprehensive income, net of tax		**1,864,174**	1,049,747
Total comprehensive income		**2,273,419**	108,475

The accompanying notes on pages 55 to 103 form an integral part of these financial statements.

Statement of financial position
For the year ended 31 December 2023

Assets	Notes	2023 GH¢'000	2022 GH¢'000
Non-current assets			
Property, plant and equipment	17	9,291,100	7,023,219
Intangible assets	18	20,161	20,890
Other receivables	19	29,949	22,195
Total non-current assets		9,341,210	7,066,304
Current assets			
Inventories	20	42,671	40,316
Trade and other receivables	21	1,915,288	872,783
Prepayments and advances	34	60,307	8,132
Cash and cash equivalents	22	730,772	623,700
Total current assets		2,749,038	1,544,931
Total assets		12,090,248	8,611,235
Equity and liabilities			
Equity			
Stated capital	23	1,010,870	1,010,870
Revaluation reserve	25	3,818,906	2,192,689
Other reserves	27b	(29,430)	(46,320)
Retained earnings	24	359,610	(270,703)
Total equity		5,159,956	2,886,536
Non-current liabilities			
Employee benefits obligations	27(a)	190,507	145,692
Contract liabilities	32	32,857	27,186
Deferred tax liabilities	16(d)	1,470,250	924,496
Loans and borrowings	26(a)	2,266,309	1,823,859
Deferred donor support	31	40,305	26,011
Total non-current liabilities		4,000,228	2,947,244
Current liabilities			
Contract liabilities	32	9,085	2,122
Current tax liabilities	16(b)	349,445	607,365
Loans and borrowings	26(a)	312,357	227,481
Employee benefits obligations	27(a)	26,966	17,436
Trade and other payables	28	2,195,533	1,845,625
Provisions	29	36,678	77,426
Total current liabilities		2,930,064	2,777,455
Total liabilities		6,930,292	5,724,699
Total equity and liabilities		12,090,248	8,611,235

Name of director

Signature

Date

Name of director

Signature

Date

Statement of changes in equity
For the year ended 31 December 2023

	Stated capital GH¢'000	Retained earnings GH¢'000	Other reserves	Revaluation reserve GH¢'000	Total equity GH¢'000
31 December 2023					
Balance at 1 January 2023	1,010,870	(270,703)	(46,320)	2,192,689	2,886,536
Profit for the year	-	409,245	-	-	409,245
Other comprehensive income for the year:					
Revaluation of property, plant and equipment and intangible assets (Note 17 & 18)	-	-	-	2,481,863	2,481,863
Remeasurement of defined benefit liabilities (Note 27b)	-	-	16,890	-	16,890
Related tax (Note 16e)	-	-	-	(634,579)	(634,579)
Total comprehensive income for the year	-	**409,245**	**16,890**	**1,847,284**	**2,273,419**
Transfer to retained earnings	-	221,067	-	(221,067)	-
Balance at 31 December 2023	**1,010,870**	**359,610**	**(29,430)**	**3,818,906**	**5,159,956**

2022	Stated capital GH¢'000	Retained earnings GH¢'000	Other reserves GH¢'000	Revaluation reserve GH¢'000	Total equity GH¢'000
Balance at 1 January 2023	1,010,870	511,041	19,483	1,236,667	2,778,061
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 2023	1,010,870	(270,703)	(46,320)	2,192,689	2,886,536

The accompanying notes on pages 55 to 103 form an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2023

	Notes	2023 GH¢'000	2022 GH¢'000
Cash flows from operating activities			
Profit/(loss) after tax		**409,245**	(941,272)
Adjustments for:			
Depreciation of property, plant and equipment	**17**	**327,804**	264,291
Amortisation of intangible assets	**18**	**9,884**	3,503
Exchange difference in borrowings	**26(b)**	**777,050**	683,347
Interest expense	**26(b)**	**68,600**	30,244
Interest income on call accounts	**15**	**(10,962)**	(19,370)
Impairment loss on trade receivables	**36(b)(ii)**	**230,385**	1,223,398
Profit on disposal of property, plant and equipment	17	(792)	(138)
Actuarial gains/(loss)	**27(b)**	**16,890**	(65,803)
Corporate tax adjustment	**16(b)**	-	5,984
Income tax expense/(credit)	**16(a)**	**141,636**	135,724
		1,969,740	1,319,908
Operating cash flow before movement in working capital			
Changes in inventories	**20**	**(2,355)**	(26,303)
Changes in other receivables	**19**	**(7,754)**	(8,737)
Changes in trade and other receivables	**21**	**(1,272,889)**	(897,249)
Changes in trade and other payables	**28**	**349,908**	249,321
Changes in prepayments and advances	**34**	**(52,175)**	2,874
Changes in contract liabilities	**32**	**12,634**	(1,306)
Changes in employee benefits obligations	**27**	**54,345**	83,239
Changes in provisions	**29**	**(40,748)**	(70,547)
Cash generated from operating activities		**1,010,706**	651,200
Tax paid	**16(b)**	**(488,381)**	(20,013)
Net cash generated from operating activities		**522,325**	631,187
Cash flows from investing activities			
Interest received on call accounts	**15**	**10,962**	19,370
Purchase of property, plant and equipment	**17**	**(122,213)**	(171,453)
Proceeds from sale of property, plant and equipment	**17**	**840**	318
Purchase of intangible assets	**18**	**(812)**	(842)
Net cash used in investing activities		**(111,223)**	(152,607)
Cash flows from financing activities			
Proceeds from donor support	**31**	**14,294**	3,091
Loan drawdown	**26(b)**	**3,457**	51,503
Principal repayment of loans and borrowings	**26(b)**	**(296,667)**	(281,145)
Interest on loans capitalised	**26(b)**	**18**	39,400
Payment of interest on borrowings	**26(b)**	**(25,132)**	(162,029)
Net cash used in financing activities		**(304,030)**	(349,180)
Net increase in cash and cash equivalents		**107,072**	129,400
Cash and cash equivalents at 1 January	**22**	**623,700**	494,300
Cash and cash equivalents at 31 December	**22**	**730,772**	623,700

The accompanying notes on pages 55 to 103 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2023

1. Reporting entity

Ghana Grid Company LTD. (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 IFRS Accounting Standards as issued by the International Accounting Standards Board and its interpretations adopted by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019 (Act 29).

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 2023 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.

Notes to the financial statements
For the year ended 31 December 2023

4. Use of judgements and estimates - continued

(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 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.

Notes to the financial statements
For the year ended 31 December 2023

5. Material 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.

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.

Notes to the financial statements
For the year ended 31 December 2023

5.4 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.

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.

Notes to the financial statements
For the year ended 31 December 2023

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.

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.

Notes to the financial statements
For the year ended 31 December 2023

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

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.

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.

Notes to the financial statements
For the year ended 31 December 2023

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.

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.

Notes to the financial statements
For the year ended 31 December 2023

As a lessor – continued

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 or 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 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.

Notes to the financial statements
For the year ended 31 December 2023

5.6.1 Recognition and measurement - Continued

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.

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.

Notes to the financial statements
For the year ended 31 December 2023

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.

Notes to the financial statements
For the year ended 31 December 2023

5.8 Impairment of non-financial assets – continued

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 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.

Notes to the financial statements
For the year ended 31 December 2023

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 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.

Notes to the financial statements
For the year ended 31 December 2023

5.14.2 Deferred tax – continued

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.

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.

Notes to the financial statements
For the year ended 31 December 2023

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.

5.15.3. Defined benefit plans – continued

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.

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. In addition to this staff are paid retirement benefit of 4% of annual salary for every completed year of service.

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.

Notes to the financial statements
For the year ended 31 December 2023

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 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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The Company has adopted the amendments to IAS 1 for the first time in the current year. 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.

Notes to the financial statements
For the year ended 31 December 2023

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

The Company has adopted the amendments to IAS 12 for the first time in the current year. 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 profit nor taxable profit.

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

Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

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

The Company has adopted the amendments to IAS 8 for the first time in the current year. 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.

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

At the date of authorisation 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	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

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.

Notes to the financial statements
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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 noncurrent 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.

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 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

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

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

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

Notes to the financial statements
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Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements.

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, `following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

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The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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.

	2023	2022
	GWH million	GWH million
Total transmission	**23,551**	21,545
Sub-station usage	**11**	11
	2023	2022
	GH¢'000	GH¢'000
Revenue from transmission services	**2,247,156**	1,603,189
Revenue from fibre optic cable maintenance	**11,130**	14,055
	2,258,286	1,617,244
Rental income from lease of fibre optic cables	**7,171**	5,080
	2,265,457	1,622,324

(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.

	2023	2022
	GH¢'000	GH¢'000
Type of customer		
Contract revenue from related parties	**1,607,284**	1,149,161
Contract revenue from third parties	**651,002**	468,083
	2,258,286	1,617,244
Primary geographical market		
Local revenue	**1,825,442**	1,342,506
Export revenue	**432,844**	274,738
	2,258,286	1,617,244

Notes to the financial statements
For the year ended 31 December 2023

(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.
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.

Notes to the financial statements
For the year ended 31 December 2023

9. Direct costs

	2023 GH¢'000	202 GH¢'000
Staff cost (Note 12)	**227,889**	189,422
Materials and spares consumed	**24,538**	18,418
Maintenance and other direct cost	**80,713**	67,674
Depreciation of property, plant and equipment (Note 17)	**288,039**	231,219
Transmission loss	**206,576**	63,497
	827,755	570,230

Transmission losses for the year ended 31 December 2023 was 908 GWH (2022: 922 GWH).

10. Other income

	2023 GH¢'000	2022 GH¢'000
Exchange gain	**334,308**	284,679
Consultancy service revenue	**26,779**	11,336
Gain on disposal of PPE	**792**	138
Sale of obsolete inventory	**248**	583
Sundry income	**108,168**	3,768
	470,495	300,504

11. Profit before taxation

Profit before taxation is stated after charging:

	2023 GH¢'000	2022 GH¢'000
Directors' remuneration	**1,995**	2,170
Auditor's remuneration	**432**	360
Depreciation and amortisation	**337,688**	267,794
Personnel costs (Note 12)	**363,435**	290,096

Notes to the financial statements
For the year ended 31 December 2023

12. Personnel costs

	2023 GH¢'000	2022 GH¢'000
Wages and salaries	**255,537**	211,583
Social security contributions	**14,390**	16,360
Provident fund contributions	**22,198**	26,365
Defined benefit plan	**41,460**	(20,472)
Other long-term employee benefits	**6,192**	18,048
Other staff expenses	**23,658**	38,212
	363,435	290,096
Allocation of staff cost:		
Staff cost allocated to direct cost (Note 9)	**227,889**	189,422
Staff cost allocated to general and administrative expenses (Note 13)	**135,546**	100,674
	363,435	290,096

The total number of staff employed by the Company by the end of the year was 870 (2022: 813).

13. General and administrative expenses

	2023 GH¢'000	2022 GH¢'000
Directors' remuneration	**1,995**	2,170
Staff cost (Note 12)	**135,546**	100,674
Materials consumed	-	3,022
Other administrative cost (Note 13(i))	**43,089**	79,796
Depreciation of property, plant and equipment (Note 17)	**39,765**	33,072
Amortisation of intangible assets (Note 18)	**9,884**	3,503
Auditors' remuneration	**432**	360
	230,711	222,597

Notes to the financial statements
For the year ended 31 December 2023

13 (i) Other administrative cost

	2023 GH¢'000	2022 GH¢'000
Sundry expenses	**16,802**	55,080
Advertisement	**523**	470
Honorarium	**642**	1,901
Safety	-	3,311
Legal & professional	**8,040**	850
Donations	**3,779**	4,945
Travel expenses	-	3,261
Stationery	**143**	376
Insurance	**10,667**	4,344
Utility	**2,493**	5,258
	43,089	79,796

14. Finance cost

	2023 GH¢'000	2022 GH¢'000
Interest on loans and overdrafts	**88,381**	32,959
Exchange loss on loans and borrowings	**777,050**	683,347
Finance cost on defined benefit obligations	**41,551**	15,215
	906, 982	731,521

15. Finance income

	2023 GH¢'000	2022 GH¢'000
Interest income	**10,963**	19,370

16. Taxation

(a) Income tax credit

	2023 GH¢'000	2022 GH¢'000
Current income tax expense (Note 16b)	**230,461**	162,963
Deferred income tax credit (Note 16d)	**(88,825)**	(27,239)
	141,636	135,724

Notes to the financial statements
For the year ended 31 December 2023

16. Taxation – continued

(b) Current tax (asset)/liability

Year ended 31 December 2023	Balance at 1 January GH¢'000	Charge to profit or loss GH¢'000	Payment during the year GH¢'000	Balance at 31 December GH¢'000
2008 to 2019	184,598	-	-	**184,598**
2020	78,693	-	-	**78,693**
2021	195,140	-	-	**195,140**
2022	148,934	-	-	**148,934**
2023	-	**230,461**	**(488,381)**	**(257,920)**
	607,365	**230,461**	**(488,381)**	**349,445**

Year ended 31 December 2022	Balance at 1 January GH¢'000	Charge to profit or loss GH¢'000	Payment during the year GH¢'000	Adjustment during the year GH¢'000	Balance at 31 December 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

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

(c) Reconciliation of effective tax rate

	2023 GH¢'000	2022 GH¢'000
Profit before income tax	**550,881**	(805,548)
Income tax using the corporate tax rate of 25%	**137,720**	(201,387)
Expenses not deductible for tax purposes	**3,916**	337,111
Income tax charge/(credit)	**141,636**	135,724
Effective tax rate	**26%**	-17%

(d) Movement in deferred tax balance during the year

	2023 GH¢'000	2022 GH¢'000
Balance as at 1 January	**924,496**	418,254
Credit to profit or loss	**(88,825)**	(27,239)
Charge to OCI	**634,579**	533,481
Balance as at 31 December	**1,470,250**	924,496

Notes to the financial statements
For the year ended 31 December 2023

16. Taxation – continued

(e) Recognised deferred tax assets and liabilities

2023	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	**576,443**	**(18,481)**	-	**557,962**	-	**557,962**
Provision for doubtful debt	**(673,162)**	**(57,597)**	-	**(730,759)**	**(730,759)**	-
Employee benefits obligations	**(894)**	**(53,474)**	-	**(54,368)**	**(54,368)**	-
Resettlement provision	**(1,938)**	**(4,400)**	-	**(6,338)**	**(6,338)**	-
Excess financial cost - 2020	**(7,176)**	**7,176**	-	-	-	
Provisions - legal	-	**(894)**	-	**(894)**	**(894)**	-
Provision for slow moving goods	**(40,782)**	**38,845**	-	**(1,937)**	**(1,937)**	-
Revaluation surplus on property, plant and equipment	**1,072,004**	-	**634,579**	**1,706,583**	-	**1,706,583**
Net tax (assets)/ liabilities	**924,496**	**(88,825)**	**634,579**	**1,470,250**	**(794,295)**	**2,264,545**

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 - 2023	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

Notes to the financial statements
For the year ended 31 December 2023

17. Property, plant and equipment

31 December 2022	Transmission assets GH¢'000	Freehold land GH¢'000	Land and buildings GH¢'000	Motor vehicle GH¢'000	Computers GH¢'000	Miscellaneous plant & office equipment GH¢'000	Capital work-in progress GH¢'000	TotalCost GH¢'000
Balance as at 1 January	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 December	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 January	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 December	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**

*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¢ 298 million (2022: GH¢297 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.

Notes to the financial statements
For the year ended 31 December 2023

17. Property, plant and equipment – continued

Analysis of depreciation and amortisation charged to profit or loss:

	2023 GH¢'000	2022 GH¢'000
Included in direct costs (note 9) - depreciation of transmission and other related assets	**288,039**	231,219
Included in general and administrative expense (note 13)	**49,649**	36,575
Total depreciation and amortisation charge for the year	**337,688**	267,794
Profit on disposal of property, plant and equipment		
Cost on disposal	**6,614**	3,350
Accumulated depreciation on disposal	**(6,566)**	(3,170)
Carrying amount on disposal	**48**	180
Proceeds on disposal	**(840)**	(318)
Profiton disposal	**(792)**	(138)

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 2023

17. Property, plant and equipment – continued

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

2023 Cost

	Transmission assets	Freehold land	Land and buildings	Motor vehicle	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as at 1 January 2023	3,204,034	420	92,644	75,765	4,758	18,952	1,082,438	4,479,011
Additions	13,528	-	-	20,231	3,704	705	84,045	122,213
Disposal	-	-	-	(6,599)	(15)	-	-	(6,614)
Balance as at 31 December	3,217,562	420	92,644	89,397	8,447	19,657	1,166,483	4,594,610
Accumulated depreciation								
Balance as at 1 January	848,326	-	14,992	61,962	3,440	11,394	-	940,114
Charge for the year	91,498	-	1,906	9,258	1,030	1,858	-	105,550
Disposal	-	-	-	(6,553)	(13)	-	-	(6,566)
Balance as at 31 December	939,824	-	16,898	64,667	4,457	13,252	-	1,039,098
Net book value	**2,277,738**	**420**	**75,746**	**24,730**	**3,990**	**6,405**	**1,161,919**	**3,555,512**
Net book value	2,215,820	420	65,202	4,811	907	6,110	1,032,252	3,325,522

Gross carrying amount of fully depreciated assets still in use

At 31 December 2023, property, plant and equipment with a gross carrying amount of GH¢258.15 million (2022: GH¢95.3 million) were fully depreciated and still in use by the Company.

Notes to the financial statements
For the year ended 31 December 2023

18. Intangible assets

Cost	2023 Software GH¢'000	2022 Software GH¢'000
Balance as at 1 January	**40,337**	14,783
Balance adjustment	-	700
Additions	**812**	842
Transfers from CWIP	-	16,015
Gross revaluation adjustment*	**17,494**	,997
Balance as at 31 December	**58,643**	40,337
Accumulated depreciation		
Balance as at 1 January	**19,447**	9,677
Balance adjustment	-	885
Charge for the year	**9,884**	3,503
Gross revaluation adjustment*	**9,151**	5,382
Balance as at 31 December	**38,482**	19,447
Carry amount	**20,161**	20,890

*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

Cost	2023 Software GH¢'000	2022 Software GH¢'000
Balance as at 1 January	**34,569**	17,897
Balance adjustment	-	
Additions	**812**	842
Reclassification to PPE	-	16,015
Balance as at 31 December	**35,381**	34,754
Accumulated depreciation		
Balance as at 1 January	**15,733**	13,561
Charge for the year	**6,083**	3,503
Balance as at 31 December	**21,816**	17,064
Carrying amount	**13,565**	17,690

Notes to the financial statements
For the year ended 31 December 2023

18 Intangible assets (continued)

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

2023	Property, plant and equipment	Intangible assets	Total
	GH¢'000	GH¢'000	GH¢'000
Cost	**3,227,159**	**17,494**	**3,244,653**
Accumulated depreciation	**(753,639)**	**(9,151)**	**(762,790)**
	2,473,520	**8,343**	**2,481,863**

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

18. Other receivables

	2023	2022
	GH¢'000	GH¢'000
Staff loans	**29,949**	22,195

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

19. Inventories

	2023	2022
	GH¢'000	GH¢'000
Consumables and spare parts	**42,671**	40,316

In 2023, inventories of GH¢24.5 million (2022: GH¢21.4 million) were recognised in profit or loss. Of the amount recognised in profit or loss during the year, GH¢24.5 million (2022: GH¢ 18.4 million) was recognised in "direct costs" while GH¢ Nil (2022:GH¢2.4 million) was recognised in "general and administrative expenses".

There was a reversal of inventory write-down of GH¢0.237 million in 2023 (2022: GH¢ 0.58 million) due to a change in estimate.

Notes to the financial statements
For the year ended 31 December 2023

20. Trade and other receivables

	2023 GH¢'000	2022 GH¢'000
Trade receivables due from related parties	**4,267,132**	3,155,204
Trade receivables	**528,837**	377,094
Impairment of trade receivables	**(2,923,031)**	(2,692,646)
Net trade receivables	**1,872,938**	839,652
VAT receivables	**26,400**	17,894
Other receivables	**1,323**	12,241
Staff loans	**14,627**	2,996
	1,915,288	872,783

The maximum amount of staff loans during the year did not exceed GH¢ 44.6 million (2022: GH¢23.7 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.

21. Cash and cash equivalents

	2023 GH¢'000	2022 GH¢'000
Call account	**28,576**	26,129
Cash on hand	**81**	43
Cash at bank	**702,115**	597,528
	730,772	623,700

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

	2023 GH¢'000	2022 GH¢'000
Cash and cash equivalents	**730,772**	623,700

22. Stated capital

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

Ordinary shares	2023 000	2022 000
Authorised	**11,000,000**	11,000,000
Issued	**10,010,000**	10,010,000

Notes to the financial statements
For the year ended 31 December 2023

23.Stated capital (continued)

(ii) Proceeds from issued shares are as follows:

Ordinary shares	2023 GH¢'000	2022 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.

23. 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).

24. 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.

25. Loans and borrowings

a. Loan and borrowings balances

	2023 GH¢'000	2022 GH¢'000
Current portion		
Short- and medium-term loans due within one year	**312,357**	227,481
Non-current portion		
Short- and medium-term loans due two to five years	**1,234,582**	927,872
Medium term loans due over 5 years	**1,031,727**	895,987
	2,266,309	1,823,859
Balance as at 31 December	**2,578,666**	2,051,340

b. Movement of Loans and borrowings

	2023 GH¢'000	2022 GH¢'000
Balance as at 1 January	**2,051,340**	1,690,020
Principal drawdown	**3,457**	51,503
Interest expensed	**68,600**	30,244
Interest capitalised	**18**	39,400
Interest paid	**(25,132)**	(162,029)
Principal repayment	**(296,667)**	(281,145)
Exchange variation	**777,050**	683,347
Balance as at 31 December	**2,578,666**	2,051,340

Notes to the financial statements
For the year ended 31 December 2023

26. Loans and borrowings – continued

c. Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	31 December 2023 Contract amount GH¢'000	31 December 2023 Carrying amount GH¢'000	31 December 2022 Contract amount GH¢'000	31 December 2022 Carrying amount GH¢'000
Societe Generale France	EUR	EURIBOR + 1.75%	2023	**564,277**	-	340,135	43,820
Societe Generate France	EUR	EURIBOR + 1.75%	2024	**444,126**	**22,527**	240,571	46,419
Nordea Bank	EUR	EURIBOR + 1.94%	2025	**438,409**	**65,761**	240,186	76,364
Agence Francaise de Developpement	USD	5%	2032	**2,065,932**	**1,364,783**	1,001,699	1,091,473
IDA 4971 GH (WB)	SDR	4.50%	2046	**254,977**	**232,602**	132,740	171,009
Export-Import Bank of Korea	USD	0.50%	2050	**75,089**	**75,089**	387,281	570,768
B5 Plus	USD	9%	2030	**790,663**	**817,904**	67,566,248	51,487
				4,633,473	**2,578,666**	69,908,860	2,051,340

Notes to the financial statements
For the year ended 31 December 2023

26. Loans and borrowings – continued

d. Breach of loan covenant

The Company has a loan with Agence Francaise de Developpement (AFD) with a carrying amount of GH¢1.36 million (2022:GH¢1.09 million) as at 31 December 2023. The loan is repayable twice yearly over fifteen years.

As per an amended agreement for 2023 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 2023;

Ratio	Covenant level (2023)	Actual level (2023)	Covenant level (2022)	Actual level (2022)
Net indebtedness to EBITDA ratio	**<=5.00**	**1.29**	<=5.00	1.47
Debt Service Coverage Ratio (DSCR)	**>=1.40**	**7.43**	>=1.40	3.07

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.

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. In addition to this staff are paid retirement benefit of 4% of annual salary for every completed year of service.

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.

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Other long-term employee benefits - Long service awards – continued
The present value of the benefits at the end of the year are as shown below:

	2023 GH¢'000	2022 GH¢'000
Long-service award	**58,063**	49,177
Severance benefit	**76,225**	37,322
Post-retirement medical benefit	**83,185**	76,629
Total employee benefit liabilities	**217,473**	163,128
Non-current	**190,507**	145,692
Current	**26,966**	17,436
	217,473	163,128

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:

Long service awards	2023 GH¢'000	2022 GH¢'000
Balance as at 1 January	**49,177**	38,835
Included in profit or loss:		
Current service cost	**4,593**	3,312
Net interest	**10,655**	8,098
Actuarial loss (gain) arising from:		
Financial assumptions	**5,766**	3,135
Other sources	**(4,167)**	4,406
	16,847	18,951
Benefits paid	**(7,961)**	(8,609)
Balance as at 31 December	**58,063**	49,177

Severance benefits	2023 GH¢'000	2022 GH¢'000
Balance as at 1 January	**37,322**	4,429
Included in profit or loss:		
Current service cost	**2,488**	1,795
Past service cost	**35,255**	-
Net interest	**15,439**	1,039
	53,182	2,834
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
• Financial assumptions	**9,768**	4,306
• Other sources	**(18,203)**	28,474
	(8,435)	32,780
Benefits paid	**(5,844)**	(2,721)
Balance as at 31 December	**76,225**	37,322

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Post-retirement medical benefits

	2023 GH¢'000	2022 GH¢'000
Balance as at 1 January	**76,629**	36,625
Included in profit or loss:		
Current service cost	**3,717**	2,660
Net interest	**15,457**	7,450
	19,174	10,110
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**(10,553)**	40,228
- Other sources	**2,098**	(7,205)
	(8,455)	33,023
Benefits paid	**(4,163)**	(3,129)
Balance as at 31 December	**83,185**	76,629

Total benefit

	2023 GH¢'000	2022 GH¢'000
Balance as at 1 January	**163,128**	79,889
Included in profit or loss:		
Current service cost	**10,798**	7,767
Past service cost	**35,255**	
Net interest	**41,551**	16,587
Actuarial loss (gain) recognised in the year	**1,599**	7,541
	89,203	31,895
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**(785)**	44,534
- Other sources	**(16,105)**	21,269
	(16,890)	65,803
Benefits paid	**(17,968)**	(14,459)
Balance as at 31 December	**217,473**	163,128

c. Defined benefit obligations - actuarial assumptions

The following are the actuarial assumptions at the reporting date

Principal assumptions:	2023	2022
Discount rate	**21.40%**	21.40%
Salary inflation rate	**15%**	15%
Other assumptions:		
Nominal inflation gap	**18.40%**	16.30%
Net discount rate gap	**5.60%**	5.60%
Retirement age	**60 years**	60 years

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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.

		2023		2022
	Increase	**Decrease**	Increase	Decrease
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Discount rate (1% movement)	**(18,215)**	**21,381**	(14,491)	17,253
Salary inflation rate (1% movement)	**4,314**	**(3,879)**	969	(884)

28. Trade and other payables

	2023	2022
	GH¢'000	GH¢'000
Trade payables due to related parties	**1,841,189**	1,739,438
Other trade payables	**160,674**	47,652
Payroll liabilities	**78,936**	12,521
Statutory payables	**10,824**	44,047
Accrued expenses	**103,910**	1,967
	2,195,533	1,845,625

29. Provisions

2023	**Resettlement compensation**	**Legal**	**Others**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
1 January	**66,100**	**3,576**	**7,750**	**77,426**
Provisions made during the year	-	-	-	-
Provisions used during the year	**(40,748)**	-	-	**(40,748)**
	25,352	**3,576**	**7,750**	**36,678**
2022				
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

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.

Notes to the financial statements
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29. Provisions – continued

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.

30. Related party transactions

Ghana Grid Company LTD. 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:

	2023	2022
Provision of transmission services	**GH¢'000**	GH¢'000
Electricity Company of Ghana Limited	**1,077,371**	916,203
Volta River Authority	**5,715**	6,036
Northern Electricity Distribution Company Limited	**134,464**	112,521
Volta Aluminium Company Limited	**69,830**	46,666
Akosombo Textiles Limited	**189**	200
Bui Power Authority	**206**	195
Ghana Water Company Limited	**4,619**	3,999
	1,292,394	1,085,817

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

(a) Loans and advances due from key management:

	2023	2022
	GH¢'000	GH¢'000
Long-term staff loans - key management	**210**	266
Short-term staff loans - key management	**65**	226
	275	492

During the year the finance income recognised on staff loans - key management in profit and loss was GH¢8,000 (2022: GH¢758.09)

Notes to the financial statements
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(b) Receivables from related parties:

	2023 GH¢'000	2022 GH¢'000
Electricity Company of Ghana Limited	**3,029,548**	2,255,016
Volta Aluminium Company Limited	**603,369**	418,254
Northern Electricity Distribution Company Limited	**617,418**	458,260
Akosombo Textiles Limited	**761**	841
Bui Power Authority	**7,964**	7,262
Volta River Authority	**8**	8,256
Volta Hotel Authority	**88**	8
Ghana Water Company Limited	**7,976**	7,307
	4,267,132	3,155,204
Total amounts due from related parties (a+b)	**4,267,407**	3,155,696

As at the end of the year the impairment on receivables from related parties was GH¢2.76 billion (2022: GH¢2.52 billion). Impairment expense on receivables from related parties included in profit or loss was GH¢202.72 million (2022: GH¢1.15 billion).

(c) Payables to related parties:

	2023 GH¢'000	2022 GH¢'000
Volta River Authority (VRA)	**741,431**	654,621
Bui Power Authority	**23,333**	13,649
Northern Electricity Distribution Company	**65**	71
Energy Commission	-	7,824
Ghana Water Company Limited	**159**	41
Electricity Company of Ghana	**15**	3
Public Utilities Regulatory Commission (PURC)	**810,823**	799,351
	1,575,826	1,475,560

(d) Advances from related parties:

Volta River Authority (VRA)	**195,705**	154,982
Ghana National Petroleum Corporation	-	67,418
E.S.L.A. PLC*	**69,658**	69,658
Volta Aluminium Company Limited	-	764
	265,363	292,822
Total amount due to related parties (c+d)	**1,841,189**	1,739,438

*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.

(e) Compensation of key management personnel of the company

	2023 GH¢'000	2022 GH¢'000
Salaries and wages	**11,917**	11,483
Employer's pension contribution	**1,811**	1,759
	13,728	13,242

Notes to the financial statements
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30. 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:

	2023	2022
	GH¢'000	GH¢'000
Balance as at 1 January	**26,011**	22,920
Receipts during the year	**14,294**	3,091
Balance as at 31 December	**40,305**	26,011

31. Contract liabilities

	2023	2022
	GH¢'000	GH¢'000
Contract liabilities from fibre lease *	**41,942**	29,174
Advance from transmission customers **	-	134
	41,942	29,308
Current	**9,085**	2,122
Non- current	**32,857**	27,186
	41,942	29,308

*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 2023 or at 31 December 2022 that have an original expected duration of one year or less, as allowed by IFRS 15.

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

	2023	2022
	GH¢'000	GH¢'000
Balance as at 1 January	**29,174**	29,867
Receipts during the year	**19,939**	4,387
Revenue recognised for the year	**(7,171)**	(5,080)
Balance as at 31 December	**41,942**	29,174

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32. Contract liabilities – continued

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

	2023 GH¢'000	2022 GH¢'000
Balance as at 1 January	**134**	747
Receipts during the year	-	
Revenue recognised for the year	-	
Repayment	**(134)**	(613)
Exchange loss	-	-
Balance as at 31 December	-	134

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 2023 was GH¢7.17 million (2022: GH¢5.08 million).

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

Operating lease under IFRS 16	2023 GH¢'000	2022 GH¢'000
Less than one year	**2,786**	2,786
One to two years	**2,786**	2,786
Two to three years	**2,786**	2,786
Three to four years	**2,786**	2,786
Four to five years	**2,786**	2,786
More than five years	**12,102**	14,888
	26,032	28,818

34. Prepayment

	2023 GH¢'000	2022 GH¢'000
Insurance	**45,231**	1,446
Advances*	**15,076**	6,686
	60,307	8,132

*Advances relates to advances made for supplies.

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35. Contingencies and commitments

(a) Letters of credit

There were no Letters of credit at 31 December 2023 (2022: nil)

(b) Contingent liabilities

The contingent liabilities at the reporting date was GH¢0.808 million (2022:GH¢ 0.492 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¢712.8 million (2022: 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 2023	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets			
Other receivables	29,949	-	29,949
Trade and other receivables*	1,888,888	-	1,888,888
Cash and cash equivalents	730,772	-	730,772
	2,649,609	-	**2,649,609**
Financial liabilities			
Trade and other payables**	-	2.080,799	2,080,799
Loans and borrowings	-	2,578,666	2,578,666
	-	**4,659,465**	**4,659,465**
31 December 2022			
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

*Trade and other receivables exclude VAT receivables of GH¢26.40 million (2022: GH¢17.89 million).

**Trade and other payables exclude statutory liabilities of GH¢10.82 million (2022: GH¢44.05 million)

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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.

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.

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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 2023, the exposure to credit risk for trade receivables by type of counterparty was as follow:

Type of customer	2023 GH¢'000	2022 GH¢'000
Transmission customers		
Bulk distributors	**3,660,291**	2,819,917
External customers	**320,145**	114,927
Mining customers	**129,394**	74,744
Other transmission customers	**634,943**	524,710
	4,744,773	3,532,298
Telecommunication customers	**51,196**	-
	4,795,969	3,532,298

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.

2023	**Weighted average loss rate %**	**Gross carrying amount GH¢'000**	**Loss allowance GH¢'000**	**Credit impaired**
Neither past due nor impaired (less than 30 days)	22.12%	246,861	(54,606)	No
Past due (30-60 days)	28.14%	92,642	(26,070)	No
Past due more than (61-90 days)	36.00%	39,204	(14,115)	No
Past due more than 90 days	13.74%	4,417,262	(2,828,241)	Yes
		4,795,968	**(2,923,031)**	

2022	**Weighted average loss rate %**	**Gross carrying amount GH¢'000**	**Loss allowance GH¢'000**	**Credit impaired**
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)	

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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:

	2023	2022
	GH¢'000	GH¢'000
Balance as at 1 January	**2,692,646**	1,469,248
Impairment loss recognised in the profit or loss	**230,385**	1,223,398
Balance as at 31 December	**2,923,031**	2,692,646

The impairment allowance was primarily driven by related parties. An increase in amount due from related parties by GH¢1.11 billion (2022: GH¢623.41 million), contributed to an increase in the impairment loss allowance by GH¢202.72 million (2022: GH¢1.51 billion).

An increase in amount due from non - related parties by GH¢151.74 million (2022: GH¢263.52 million) led to a corresponding increase in the impairment loss allowance of GH¢0.028 million (2022: GH¢78.31 million).

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

Cash and cash equivalents

The Company held cash and cash equivalents of GH¢730.8 million (2022: GH¢623.7 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.

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Exposure to liquidity risk

The Company uses its cash and cash equivalents amounting to GH¢713.2 million (2022: GH¢623.7 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

2023	Carrying amounts GH¢'000	Contractual cashflows GH¢'000	1 year or less GH¢'000	1 to 2 years GH¢'000	2 to 5 years GH¢'000	5 years and over GH¢'000
Loans and borrowings	**2,578,666**	**2,578,666**	**312,357**	-	**1,234,582**	**1,031,727**
Trade and other payables	**2,080,799**	**2,080,799**	**2,184,709**	-	-	-
	4,659,465	**4,659,465**	**2,393,156**	-	**1,234,582**	**1,031,727**

Non-derivative financial liabilities

2022	Carrying amounts GH¢'000	Contractual cashflows GH¢'000	1 year or less GH¢'000	1 to 2 years GH¢'000	2 to 5 years GH¢'000	5 years and over 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

(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.

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Foreign currency risk – continued

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

31 December 2023	USD'000	EURO'000	GBP'000	SDR'000
Loans and borrowings	(186,748)	(18,217)	-	(14,346)
Trade and other payables	(3.245)	(2,295)	(20)	-
Trade receivables	75,225	-	-	-
Cash and bank balances	31,395	11,062	550	-
Net exposure	**(83,373)**	**(2.066)**	**530**	**14,346**

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)

The following significant exchange rates applied during the year:

	Average rate		Reporting rate	
Ghana Cedi:	**2023**	2022	**2023**	2022
USD 1	**11.0087**	8.4468	**11.8800**	8.5760
EURO 1	**11.9288**	8.8216	**13.1264**	9.1457
GBP 1	**15.1334**	10.2958	**15.1415**	10.3118
SDR 1	**14.6867**	10.5841	**15.939**	11.4133
YEN 1	**0.0843**	0.06343	**0.0843**	0.0649

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" 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.

Notes to the financial statements
For the year ended 31 December 2023

Sensitivity analysis on currency risk - continued

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

As of 31 December, 2023

In GH¢'000	% change	Profit or loss/ equity impact: Strengthening	Profit or loss/equity impact: Weakening
		GH¢'000	**GH¢'000**
USD	±7.91	**108,599**	**(108,599)**
EURO	±10.04	**23,848**	**(23,848)**
SDR	±8.53	**20,363**	**(20,363)**

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)

Interest rate risk

Interest rate risk profile

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

	Carrying amount	
	2023	2022
Fixed rate instrument	**GH¢'000**	GH¢'000
Loans and borrowings	**2,490,378**	1,884,769
Variable rate instrument		
Loans and borrowings	**88,288**	166,571

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.

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 2022.

Notes to the financial statements
For the year ended 31 December 2023

Cash flow sensitivity analysis for variable rate instrument – continued

In GH¢'000	% change	Profit or loss/equity impact: Strengthening GH¢'000	Profit or loss/equity impact: Weakening GH¢'000
Loans and borrowings	1	**883**	**(833)**

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

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:

	2023 GH¢'000	2022 GH¢'000
Total borrowings	**2,578,666**	2,051,340
Less cash and cash equivalents	**(730,772)**	(623,700)
Net debt	**1,847,894**	1,427,640
Total equity	**5,159,956**	2,886,536
Net debt to equity ratio	**0.36**	0.49

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 2023 on its financial performance which have not been recognised or disclosed in these financial statements.

BULK CUSTOMERS AS OF DECEMBER 2023

1. Adamus Gold Limited
2. Akosombo Textiles Ltd
3. Aluworks
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
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. Volta Aluminium Company Ltd. (VALCo)
30. VRA Township

LIST OF GENERATORS

1. AKSA Energy
2. Amandi Power Plant (PE Energy)
3. Bui Power Authority
4. CENIT Energy LTD.
5. Cenpower Generation Company
6. Early Power
7. Genser Energy
8. Karpowership Power Plant
9. Sunon Asogli Power Plant
10. TAQA Generation International Operating Co. LLC
11. Volta River Authority (VRA):

a. Takoradi Power Company Limited (TAPCo)
b. Takoradi International Company (TICo)
c. Tema Thermal 1 Plant (TT1PP)
d. Tema Thermal 2 Plant (TT2PP)
e. Kpone Thermal Power Plant (KTPP)
f. AMERI Power Plant
g. Kpong Hydro Plant
h. Akosombo Hydro 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 LTD.
6.	GWh	Gigawatt hour
7.	IPPs	Independent Power Producers (same as wholesale suppliers)
8.	kV	Kilovolts
9.	MVA	Megavolt-Amperes
10.	MW	Megawatts
11.	MiDA	Millennium Development Authority
12.	NCA	National Communication Authority
13.	NITS	National Interconnected Transmission System
14.	NND	Northern Network Department
15.	No.	Number / Quantity
16.	OPGW	Optical Ground Wire
17.	PPEs	Personal Protection Equipment
18.	PURC	Public Utilities Regulatory Commission
19.	SIGA	State Interests and Governance Authority
20.	SND	Southern Network Department
21.	WAGPCo	West African Gas Pipeline Company
22.	WAPP	West African Power Pool

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