Backbone to Power Delivery

ANNUAL REPORT 2010
GHANA GRID COMPANY LIMITED

HEAD OFFICE
P.O. Box CS7979
Off Aflao Road, Tema, Ghana
Phone:(+233)(0)303 310310;
(+233)(0)303 2660049
Fax: (+233) (0)303 3303317;
(+233) (0)303 2676185
Email: gridco@gridcogh.com
Web: www.gridcogh.com

AKOSOMBO AREA
P.O Box 77
Akosombo, Ghana
Email: akosomboarea@
gridcogh.com
Phone: (+233) (0)34 3033264

TAKORADI AREA
P.O Box 237
Takoradi, Ghana
Email:takoradiarea@gridcogh.com
Phone: (+233) (0) 31 2021901
Fax: (+233) (0)31-20-21703

TECHIMAN AREA
P.O. Box 369
Techiman, Ghana
Email: techimanarea@
gridcogh.com
Phone: (+233) (0) 35 2091352

VOLTA AREA
P.O Box CO 8289
Tema, Ghana
Email : voltaarea@gridcogh.com
Phone: (+233) (0)30 3302860
Fax: (+233) (0)30 33 02860

PRESTEA AREA
P.O. Box 50
Prestea, Ghana
Email: presteaarea@gridcogh.com
Phone: (+233) (0) 31 2097261
Fax : (+233) (0)35 25 22402

KUMASI AREA
P.O Box KS 587
Kumasi, Ghana
Email : kumasiarea@
gridcogh.com
Phone: (+233) (0)32-20-33264
Fax: (+233) (0)32 2033264

TAMALE AREA
P.O Box TM 1266
Tamale, Ghana
Email: tamalearea@gridcogh.com
Phone: (+233) (0)37 2024432
Fax : (+233) (0)37-20-25032

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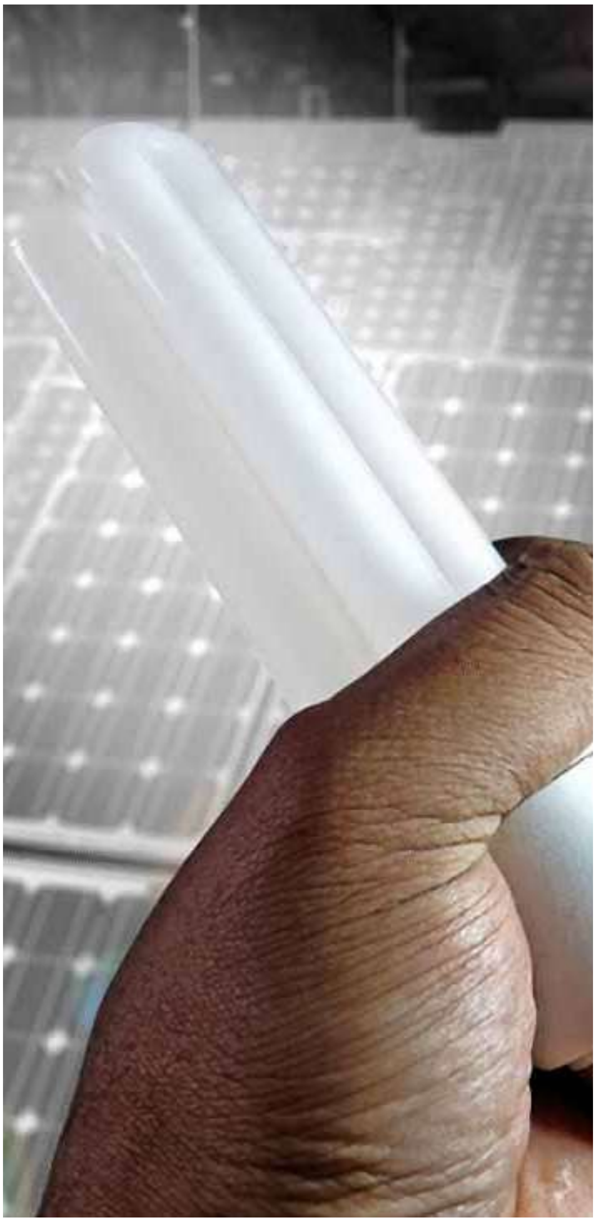
Notice and agenda of the 2nd Annual General Meeting of the GHANA GRID CO. LTD.



NOTICE IS HEREBY GIVEN that the 2nd Annual General Meeting of the Ghana Grid Company Limited (GRIDCo) will be held at the Holiday Inn Hotel, Airport City, Accra on June 28, 2011 at 10.00a.m. to transact the following business:

To receive and consider the Financial Statements for the year ended December 31, 2010 together with the Reports of the Directors and Auditors thereon.

To authorize Directors to reappoint and determine the remuneration of Auditors.

DATED IN ACCRA
THIS 3RD DAY OF JUNE, 2011.

BY ORDER OF THE BOARD

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

Note

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote on behalf of the Member. A proxy need not be a Member of the Company. A form of proxy is provided at the end of the Annual Report and Financial Statements. For a form of proxy to be valid for the purpose of the meeting, it must be completed and deposited at the Registered Office of the Company, P. O. Box CS 7979, Tema not less than 48 hours before the appointed time of the meeting.

PROFILE

Ghana Grid Company Limited (GRIDCo) is responsible for electricity transmission from wholesale suppliers to bulk customers and this service is based on fairness and non-discrimination. Our customers include Electricity Company of Ghana (ECG), Northern Electricity Department (NED) and the mines. GRIDCo values its customers and intends to maintain good partnerships with all stakeholders.

In pursuance of our mandate to transmit electricity, GRIDCo acquires, owns and manages assets, facilities and systems required to transmit electrical energy. GRIDCo also implements necessary investments based on efficient transmission system planning.

The Company is one that is dedicated to professionalism and occupational excellence and as such, maintains a dedicated and highly skilled workforce. In all of our operations, we ensure that safety standards are high and environmental practices are well-organized in accordance with international standards.

In order to sustain the expanding scope of the transmission system and ensure efficient delivery, the Power Network Department which was one of the six Departments of the Company was divided into the Southern Network Services Department and Northern Network Services Department. Also, a new Department, the Network Performance Department, was created to ensure that technical standards and the overall performance of the grid are maintained.

As in the past couple of years, GRIDCo will continue to deliver reliable energy and strive to actualize our vision of becoming a top of the class energy company.

CORPORATE INFORMATION

Board Members

Mr. Emmanuel Appiah Korang	- Chairman
Mr. Charles A. Darku	- Chief Executive
Mr. Kwasi Adu	- Member
Ms. Dzifa Amegashie	- Member
Dr. Thomas Wobil Ansah	- Member
Ms. Johanna Kuukua Awotwi	- Member
Mr. Agbesi Kwadzo Dzakpasu	- Member
Mr. Adam Munkaila	- Member

Board Secretary

Mrs. Monica Nana Ama Senanu

Auditors

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

Registered Office

Ghana Grid Company Limited
P.O. Box CS 7979
Tema, Ghana
(+233)(0)303 310310; (+233)(0)303 2660049
Fax:+233(0)302 676 185
E-Mail:gridco@gridcogh.com
Website:www.gridcogh.com

Chairman's Message

Mr.Emmanuel Appiah Korang
Chairman

Our Valued Shareholder, Ladies and Gentlemen,

We are grateful for another year and it is my pleasure to welcome you to the Annual General Meeting of Ghana Grid Company Limited and to present to you the Annual Report and Financial Statements for the year ended December 31, 2010.

In 2010, we continued to benefit from the consistent pursuit of the Corporate Strategy we rolled out in 2009 as this has already started to reflect in the improved reliability of energy transmitted.

We also rolled out a Five Year Capital Investment Program with the short-to-medium term strategic focus to:

a) Modernize the National Interconnected Transmission System (NITS);

b) Expand the network and provide redundancy within the network;

c) Support Government and private sector efforts to make available adequate generation within the short to medium term in order to address the current tight reserve margin; and

d) Develop a number of strategic high voltage transmission interconnects with neighboring countries.

The implementation of the above-mentioned strategies will help achieve the Government's policy for the power sector which includes the aim to achieve an 85% access to electricity by the population; and the development of infrastructure to generate, transmit and distribute 5,000MW of electricity by 2015.

It is within this context that we have also worked to complete the Transmission System Master Plan Study for implementation between 2011 and 2020.

We believe this Study which takes into cognizance the development of an oil economy, will position GRIDCo as the lead collaborator in the on-going regional energy integration agenda of the West African Power Pool and the entire sub-region.

Policy Issues

GRIDCo Board has been concerned about the high foreign content of GRIDCo's service delivery. Last year we mentioned that GRIDCo will explore leveraging new project activities to advance the development of local capability in the supply of equipment, components and services that the Energy Sector in Ghana and the sub-region will require for rehabilitation and expansion. The way forward has not been easy primarily due to internal and external challenges. We are however happy to report that some modest progress has been made and we will continue to strive to pursue this noble objective. As indicated last year, the objects of GRIDCo will need to be amended to achieve this objective.

At the policy level, GRIDCo has also worked closely with Utility Sub-Sector institutions to develop new policies and review existing ones in order to enhance productivity and better coordination between the various institutions. This has been essentially through the Utility Chairs Meeting and the Energy Chairs Meeting.

Operational Issues

We have also consolidated our efforts in re-engineering and expanding the National Interconnected Transmission System (NITS) in order for us to enhance our efficiency and give the highest quality of service to support the businesses of our key stakeholders across the country.

In this respect, we have completed substation improvement works at Ho and Asiekpe substations by adding one transformer to each of these previously single transformer stations.

Additionally, we commissioned into service a total of about 200MVar of reactive power into the grid. This and the completion and subsequent energization of the West African Power Pool Sponsored 330kV Aboadze-Volta Transmission Line brought general improvements in voltages across the system. The installation of more capacitor banks is envisaged in the near future to bring substantial improvements in system voltages and reduce losses.

Projects at Winneba, New Tema and Asawinso substations are in progress to meet the increasing demand and also improve upon the reliability of supply from these locations.

Our transmission lines recorded an average availability performance of 99.52%. This improved performance over the 2009 figure of 98.97% is due to on-going substation upgrade programmes which involve among others, the replacement of obsolete equipment.

Two strategic initiatives which were commenced were the thirty kilometre (30km) Fourth (4th) Circuit Transmission Line Project between Volta and Achimota substations and the Mallam Substation Upgrade Project. The 4th Circuit Project is intended to improve transmission of power primarily to Accra and help relieve consumers of outages associated with maintenance works on any of the existing three lines serving Accra. The Mallam Substation works will also boost reliability of power supply to the western part of Accra and bring the station transformation capacity to 264MVA from the existing 132MVA. This will lessen outages and low voltages which result from overloading on existing power transformers. The Fourth circuit has been completed according to schedule.

Environmental Policy

One of our aims as a corporate institution is to ensure that our operations continue to improve the quality of life enjoyed by the population across the country, that is, on an environmentally sustainable basis. GRIDCo therefore during the year under review, developed and adopted a Corporate Environmental Policy Statement to serve as the reference point for all its operations.

Corporate Social Responsibility

We are committed to achieving and maintaining best practices in our identified areas of corporate social responsibility because we believe that the resulting benefits will always be to our advantage. During the year we continued our support to the Ghana Heart Foundation and the School of Medical Sciences of the Kwame Nkrumah University of Science and Technology (KNUST), among others.

Outlook

We expect 2011 to be a challenging year but we are confident that actions taken in accordance with our Five Year Capital Investment Program will enable us to forge ahead in our desire to run an efficient transmission network.

We are also determined to continue the development of strong stakeholder relationships in the coming year.

Conclusion

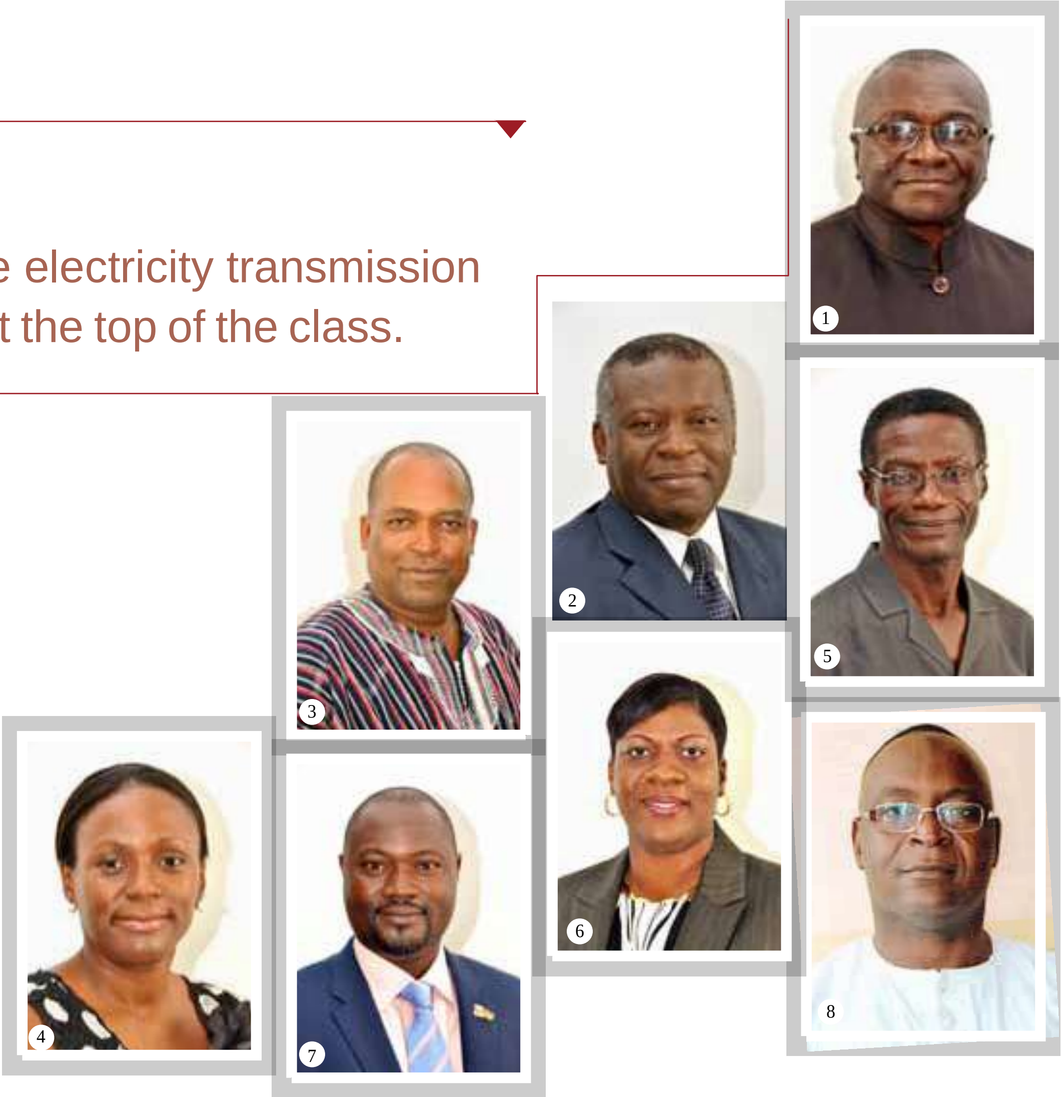
My thanks also go to my Board colleagues for their continued support and guidance. We also appreciate the immense support of our shareholder, the Government and we thank you for your continued confidence in our Company.

On behalf of the Board, I would like to thank Management and staff for their contribution to what has been a very successful year.

Thank You.

Vision

To provide electricity transmission services at the top of the class.



BOARD MEMBERS

1. Mr. Emmanuel Appiah Korang	- Chairman
2. Mr. Charles A. Darku	- Chief Executive
3. Mr. Kwasi Adu	- Member
4. Ms. Dzifa Amegashie	- Member
5. Dr. Thomas Wobil Ansah	- Member
6. Ms. Johanna Kuukua Awotwi	- Member
7. Mr. Agbesi Kwadzo Dzakpasu	- Member
8. Mr. Adam Munkaila	- Member

Mr.Charles A. Darku

Chief Executive

Chief Executive's Message

Dear Shareholder, Ladies and Gentlemen,

Let me welcome you to this Annual General Meeting once again. I'm pleased to report on our company's activities during the past year.

I am happy to report that Ghana Grid Company Limited (GRIDCo) ended 2010 on a good note. We continued to be relentless in our pursuit of maintaining, developing and running a transmission system with high operating efficiency which will deliver the quality of services our stakeholders expect from us.

At the beginning of the year, recognizing the need to act decisively and quickly in the face of our dwindling revenue base and uncertainty about the level of tariff increase to expect later in the year, we decided to optimize working capital, implement tight capital expenditure control and reduce our cost base.

We followed this up with a six-month nationwide road show with our partners from the generation and distribution utilities to raise awareness about our operations and the need for public acceptance for a tariff hike to enable us improve our revenue base and recover the cost of operations.

Simultaneously, GRIDCo rolled out a Five Year Capital Investment Programme that phases out the implementation of key projects and programmes needed to stabilise, expand and build a robust transmission network that will assure reliability of supply to customers. Fortunately, when the tariff increase was announced by the regulator, GRIDCo had an encouragingly 120% increase in its transmission service charge over the last tariff announced in 1998.

...We continued to be relentless in our pursuit of maintaining, developing and running a transmission system with high operating efficiency...

Financial operations

We thus had a very encouraging year with revenue from energy transmitted and wheeled increasing by 104 % over the previous year's income, and ending the year with a net profit of GHC59.039 million.

This increase is attributed mainly to the increase in transmission service charge and prudent management and operating efficiency over the period.

Stakeholder Interfaces

In order to consolidate our operationalization, we increased our stakeholder interfaces with key stakeholder groups, including the Parliamentary Committee on Mines and Energy and the Media.

The company further published for the first time an Electricity Supply Plan and an Annual Reliability Assessment Report for the year primarily to increase stakeholder awareness on our projects and operations and also to ensure a better appreciation of our services. Both documents were publicly launched.

Management is determined to make the publication of these reports an annual event to enable our stakeholders have enough information on the power sector and to plan their activities accordingly.

Operational Safety

Safety continued to be of the highest priority for us. We are committed to providing safe and healthy working conditions for our employees, contractors and visitors. As an indication of this commitment, Management instituted and presented awards to the best three Area offices for their safety performance in 2010.

Transmission System Master Plan Study

Taking into consideration the long-term nature of our business and the importance of well researched forecasting we successfully concluded the development of a comprehensive Transmission System Master Plan Study. This document will serve as a blueprint input into the economic development objectives of Government and other engineering considerations and allow for a systematic expansion of the network. This blueprint will be rolled out from 2011.

Departmental Restructuring

Our drive to enhance the management and effectiveness of the power network resulted in the split of the Power Network Operations Department into three Departments – Northern Network Services (NNS) Department, Southern Network Services (SNS) Department and Network Performance Department (NPD).

The SNS Department is responsible for operations, maintenance and customer liaison in the Akosombo, Volta and Takoradi Areas, while the NNS Department has assumed the same role in the Tamale and Kumasi Areas.

The NPD's responsibility is to monitor network performance and the issuance of necessary technical directives and procedures which will ensure optimal services across the grid. The NPD will also lead our campaign to be a top of the class electricity transmission utility in the evolving power sector.

One of the 330 kV 200 MVA transformers in service at the Volta Substation

330kV West African Power Pool (WAPP) Transmission Project

In February, GRIDCo assumed from VRA, the operational responsibility for the implementation of the 330kV WAPP Transmission Project, including the secondment of project staff to the company. Construction of the 220km 330kV transmission line from Aboadze (Takoradi) to Volta (Tema) with associated 330kV Substations at Volta and Aboadze has since been completed and energized.

Transmission line Right-of-Way (ROW) Management Contracts

In focusing on our core business to improve efficiency and create jobs in the communities through which our transmission lines run, the company during the period under review, out-sourced on a long-term contract basis, vegetation management and bush clearing activities under the Transmission Line Right-of-Way. So far 33 contractors are working to ensure that over-grown vegetation does not interfere with live conductors and cause nuisance outages and also to enhance access to the lines by maintenance crew.

Power Transmission Business

GRIDCo transmitted a total of 9,847.43GWh of energy across the grid. Of this amount, total energy transmitted for domestic consumption was 8,811.14GWh while exports to CEB, CIE, and SONABEL summed up to 1,036.29GWh. A total of 106.27GWh of energy was imported in favour of Ghana during the year.

The transmission network recorded a transmission loss of 379.70GWh , equivalent to 3.71% of net generation.

The maximum system peak for the year was 1,505.9MW and was recorded on December 21, 2010 at 20:15 hours.

Human Resource, Industrial Relations, Training and Development

As a service focused organization the enhancement of staff remains an important priority in the quest to bring efficiency to our operations. Hence we invested in both local and foreign training of staff. In 2010, 475 employees undertook training in both overseas and local training programs as against 277 staff who attended similar training programmes in 2009.

At the close of the year, the staff strength of the company stood at 729, an increase of 5.4 % over the 2009 figure.

Outlook

For 2011, we expect the system demand to peak at 1,748MW, representing a sixteen per cent (16%) growth over the 2010 figure of 1,505.9MW. The expected increase in power demand may be attributed to new spot loads such as the Adamus Resources at Esiama, Savanna Cement at Buipe, Central Ashanti Gold at Ayamfuri and the one potline planned operation of VALCO.

Ongoing network expansion works and measures to improve the quality of distribution services by the Electricity Company Ghana (ECG) are also expected to culminate in an increase in demand amongst domestic customers.

Conclusion

The key driver for all our work in 2010 was the quality of our staff. They have all worked enormously hard in what was a tough, though satisfying year. I want to recognize that enormous collective effort, and to say I appreciate all of you. Thank You.

MISSION STATEMENT

To provide open access, non-discriminatory, reliable, secure, and efficient electricity transmission services and wholesale market operations to meet customer and stakeholder expectations within Ghana and the West African Sub-region, in an environmentally sustainable and commercially viable manner.

MANAGEMENT

1. **Mr. Charles A. Darku**
   Chief Executive
2. **Mr. Suraj Omoro Amadu**
   Director, Power Network Operations
3. **Mr. Isaac K. Akesseh**
   Director, Finance
4. **Mr. Eric Asare**
   Director, System Operations
5. **Mr. Norbert C. D. Anku**
   Director, Engineering
6. **Ms. Sakeena K. Bonsu**
   Director, HR
7. **Mr. Kofi Okofo Dartey**
   Chief Internal Auditor
8. **Mrs. Monica N. A. Senanu**
   Company Solicitor & Board Secretary

Honourable Dr. Oteng-Adjei
Minister for Energy, Unvieling the plaque to Commission the New Head Office Building

GENERAL OPERATIONS

GENERAL OVERVIEW

In 2010, GRIDCo focused on strategies which would enable the company to run an efficient transmission system in order to provide high quality services to our customers.

Compared to the previous year, there were less unplanned (forced) outages in the system due to improved predictive and conditional maintenance programmes instituted over the period. There was also a significant reduction in the number of times that the Automatic Frequency Load Shedding (AFLS) relays operated due to the availability of more generation facilities especially the commencement of commercial operations by the Sunon Asogli Power (SAP) Company. This reduction in the number of AFLS operations and the energization of the first phase of the 330kV Aboadze-Volta Transmission Line Project resulted in significant improvements in the network performance especially during the last quarter of the year.

ELECTRICITY CONSUMPTION

The total energy transmitted by GRIDCo during the period under review was 9,847. 43GWh. Of this amount total energy transmitted for domestic consumption was 8,811.14GWh, while exports to CEB, CIE, and SONABEL summed up to 1,036.29GWh. The total energy transmitted for domestic consumption for 2010 represents a 9.0% increase over the 2009 figure of 8,017.46GWh. This is to be expected from normal growth in economic activities.

Transmission losses as a percentage of net generation averaged 3.71% or 379.70GWh for the year. This could be attributed to modest improvements in voltages at the substations resulting from the energization of the 330kV Aboadze-Volta Transmission line and the injection of capacitor banks into the system during the last quarter of the year.

The system recorded a maximum peak demand of 1,505.9MW on December 21, 2010 at 20:15 hours and this represents an 82.9MW or a 5.8 % increase over the 2009 peak demand of 1,423MW.

Table 1: 2010 Monthly Energy Transmitted (MWh)

MONTHLY ENERGY TRANSMITTED (MWH) 2010

CUSTOMERS	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT.	OCTOBER	NOVEMBER	DECEMBER	TOTAL
VALCO	439.00	305.00	352.00	387.00	436.00	434.00	454.00	438.00	376.60	452.00	1,111.00	2,042.00	7,226.60
E.C.G.	590,121.11	533,971.22	585,561.64	582,764.32	587,328.03	547,548.62	539,209.13	537,264.75	532,476.93	567,379.90	562,321.64	607,046.55	6,772,993.83
MINES	106,251.12	96,375.41	104,676.35	104,642.34	101,939.16	103,800.56	103,490.10	103,210.98	103,789.29	103,054.83	105,082.63	106,848.92	1,243,161.69
FREE ZONES BOARD	15.90	19.00	25.00	21.40	30.10	22.90	40.30	197.60	283.30	339.60	375.50	373.80	1,744.40
ENCLAVE POWER COMPANY	3,226.30	2,643.90	3,410.80	2,475.30	3,505.80	2,700.40	3,538.00	3,470.80	3,368.50	3,492.60	3,551.60	3,336.40	38,720.40
C.E.B.	83,067.50	49,680.00	82,036.00	83,382.90	83,445.40	76,696.50	83,080.00	71,061.30	37,896.50	46,259.70	63,433.67	85,252.80	845,292.27
DIAMOND CEMENT	3,526.00	3,882.00	3,280.00	3,691.00	3,758.00	3,839.00	2,801.00	4,294.51	4,236.00	3,647.00	3,969.00	4,276.00	45,199.51
A.T.L.	1,693.36	1,332.16	1,839.28	1,558.64	1,410.80	1,709.92	1,794.48	1,580.32	1,506.80	1,341.04	1,782.48	734.00	18,283.28
ALUWORKS	465.90	556.40	492.00	455.06	594.80	462.20	433.80	436.30	255.60	160.30	516.00	421.00	5,249.36
VRA TOWNSHIPS	1,975.89	1,782.03	1,983.66	1,999.66	1,906.71	1,808.56	2,511.69	2,280.28	2,316.24	2,468.11	2,406.78	2,976.39	26,416.00
VRA AKUSE	366.36	348.20	377.66	387.85	341.74	370.33	330.03	367.84					2,890.00
ABOADZE (VRA)	177.59	187.96	207.65	204.30	200.49	171.90	196.44	175.71					1,522.04

NED	52,267.36	49,186.37	56,859.47	55,317.29	56,338.04	53,009.33	50,795.69	49,964.07	51,028.01	54,664.83	56,956.86	57,096.71	643,484.01
SONABEL	438.38	417.67	500.67	485.07	476.09	440.83	419.65	413.55	403.22	463.73	463.85	457.56	5,380.27
SONABEL (YOUGA MINES)	2,968.20	2,937.00	3,224.00	2,900.90	3,368.00	3,256.50	3,256.50	3,242.60	3,301.40	3,446.40	3,220.90	3,465.20	38,587.60
WORLD COOL LTD	74.91	59.52	86.00	81.45	39.55	38.88	45.97	46.45	82.79	74.96	66.13	0.00	696.61
VOLTA HOTEL LTD	72.24	71.49	78.26	67.45	56.14	57.44	57.44	66.92	64.53	67.24	68.92	72.95	801.04
TV 3	4.64	3.65	4.46	4.61	4.29	4.42	4.12	4.32	4.04	3.72	3.07	3.13	48.47
VODAFONE (NCBC)	3.36	2.95	3.56	3.63	3.46	3.65	3.18	3.87	3.84	4.16	4.91	5.21	45.78
TT2PP (SIEMENS)	0.00	0.00	0.00	0.00	0.00	74.00	78.00	77.00					229.00
S. ASOGLI PLANT	150.32	150.37	172.59	180.71	236.09	557.31	255.35	296.56	18.20	372.86	226.70	41.09	2,658.15
TOTAL	847,305.43	743,912.30	845,171.05	841,010.87	845,418.69	797,007.24	792,794.86	778,893.74	741,411.78	787,692.99	805,561.64	874,449.70	9,697,743.15

Figure 1: 2010 Monthly Energy Transmitted (MWh)

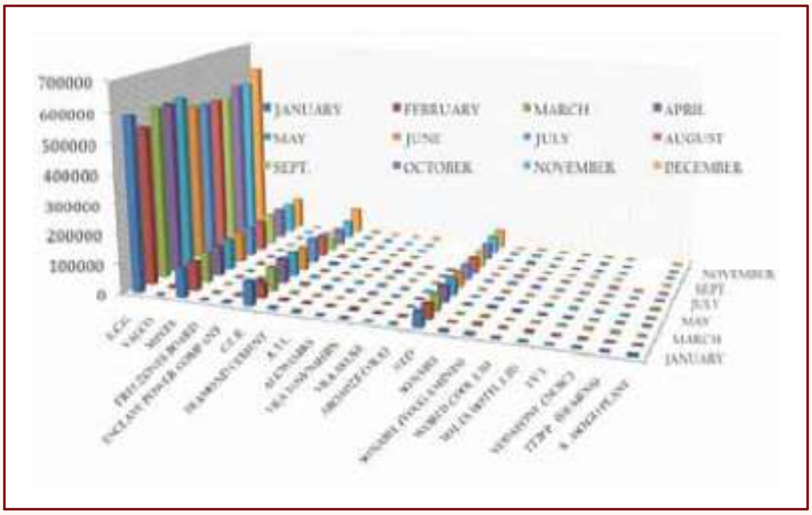


Figure 2: Monthly Energy Transmitted to Key Customers(MWh)

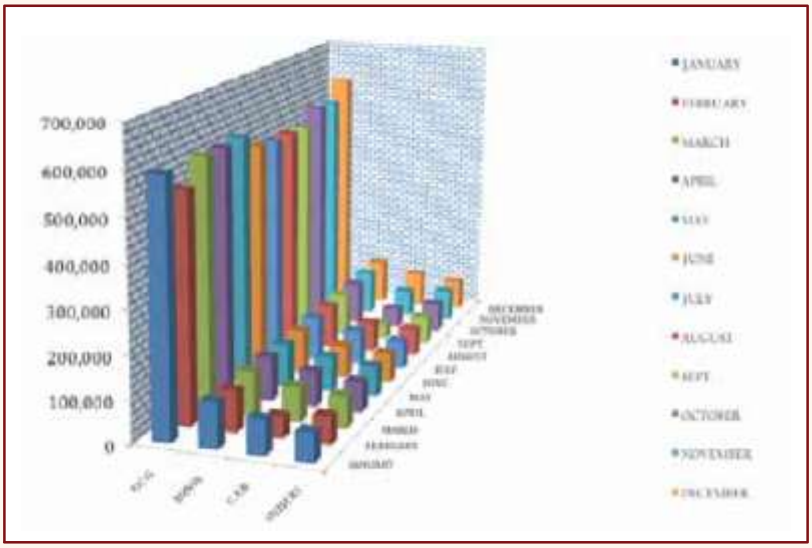


Figure 3: Total Energy Transmitted to Customers in 2010

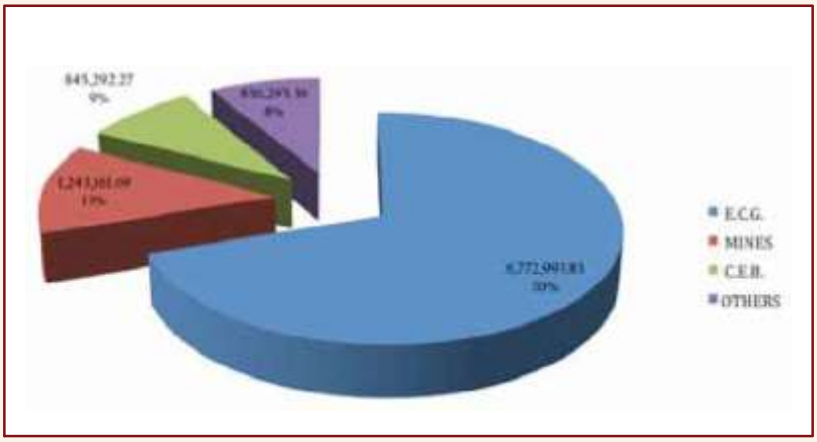


Table 2: Total Energy Transmitted for Domestic and Export Consumption (GWh) 2006-2010

	2006	2007	2008	2009	2010
Total Domestic Energy	7,935.076	6,615.303	7,577.358	8,017.466	8,811.141
Total Export Energy	754.473	248.422	538.021	766.611	1,036.289
Total Energy Transmitted	8,689.549	6,863.724	8,115.379	8,784.077	9,847.430

Figure 4: 2010 Total Domestic and Export Energy Transmitted

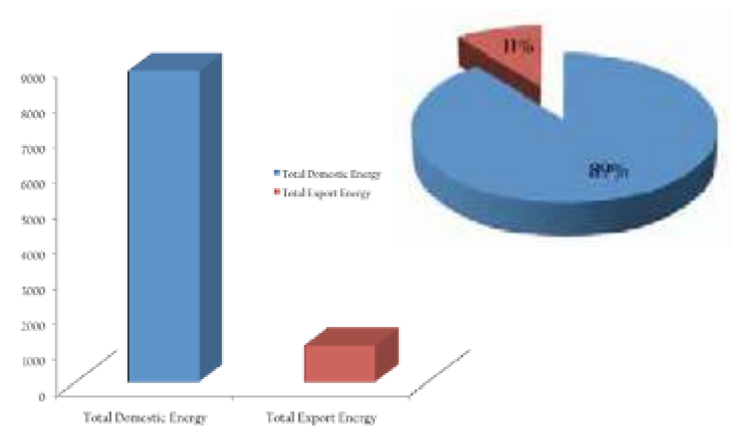
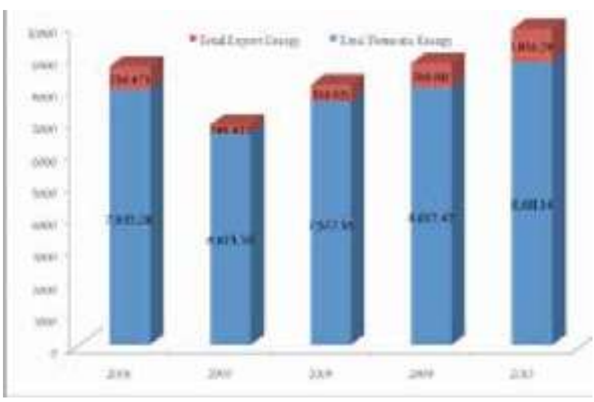


Figure 5: 2005-2010 Total Energy Transmitted



SYSTEM MAINTENANCE

For 2010, an average availability performance of 99.52% was recorded for transmission lines consisting of 69kV, 161kV, 225kV and 330kV lines. This performance was an improvement over the 2009 figure of 98.97%, this increase could be attributed to on-going substation upgrade programmes that commenced two years ago.

Other reasons for the improved performance included the provision of more vehicles, spare parts and working tools. The vehicles facilitated vegetation control within the transmission lines rights-of-way- and also improved security patrol activities which resulted in reduced incidents of encroachment on rights-of-way. Incidents of vandalism of transmission installations were also reduced. Overall, these contributed to increased transmission line and feeder availabilities within the year.

Throughout the year, routine maintenance works and inspections were carried out on substations and on all transmission equipment. The settings on Automatic Load Frequency Scheme (ALFS) relays at the various substations were also reviewed to make them more responsive to the requirements of the system. Functional trip tests were carried out on transformers, lines and circuit breakers.

New digital multifunctional panel indicating meters were installed and commissioned at New Obuasi, Kpeve, Konongo and Kpandu Substations to replace old and unreliable analogue panel meters. Two new digital panel indicating meters on the feeder incomer panels for the newly installed transformer at Techiman Substation were also installed and commissioned. All panel indicating meters at Kumasi, Obuasi, Asawinso, Dunkwa and New Obuasi substations also underwent re-calibration

Several 161kV disconnect switches were serviced at Volta, New Tema, Takoradi, Prestea, Esiama, Asawinso, Kumasi, Nkawkaw, Achimota and Smelter substations, while moisture content analysis tests were carried out on the insulating oil in all power transformers at Techiman, Sunyani, Tamale, Bolgatanga, Yendi and Sawla Substations. Various defective lamps, chokes and starters for lighting systems were replaced at substations.

All energy billing meters were recalibrated on all customer feeders as well as on the interconnected lines. Some of the meters which were recalibrated are the digital energy meters on the SONABEL interconnection feeders at Navrongo and Gwollu substations. Also, some differential and overcurrent back-up protection relays on Transformers and Reactors at Takoradi, Prestea, Bogoso and Bolgatanga substations were also recalibrated.

Station control and schematic drawings were updated for New Tema, Smelter and Konongo substations to reflect modifications made at the stations.

In all locations, battery banks and rectifiers were serviced with capability tests done on various battery banks at Cape Coast, Essiama, Mallam, Achimota, Volta and Smelter Substations. Two weak 48VDC battery banks at Yendi and Sawla Substations were replaced. Additionally, the rectifier at Sawla Substation was also replaced with one of higher rating to accommodate the capacity of the new battery bank.

Weekly servicing and 30 minutes test runs on standby diesel generators at Volta, Bolgatanga, Sawla, Techiman and Tamale substations were conducted.

Predictive and conditional maintenance activities including thermo-vision infra-red inspection was carried out on terminal equipment and clamps at all Substations. Hot spots identified on various terminations were rectified.

MARKET OPERATIONS

GRIDCo negotiated Transmission Service Agreements (TSA) with its customers. Negotiations are to be finalized to enable execution of the Agreements in the coming year.

GRIDCo informed the Energy Commission (EC) of its preparedness to assume full responsibility for designing the wholesale electricity market and for developing and launching the Market Rules in accordance with the provisions of Legislative Instrument (LI) 1937. In this respect, GRIDCo reviewed and finalized comments and recommendations on the Draft Market Rules.

NETWORK IMPROVEMENT STUDIES

Transmission System Master Plan Study For Ghana

Tractebel Engineering Services of Belgium was contracted to undertake this Study which was funded by GRIDCo from internally generated funds at a cost of 1.5Million Euros. The Study will provide the power system expansion requirements for GRIDCo for the period 2010-2020, assist in the development and review of procedures, policies and guidelines for carrying out various power system studies and train company engineers to perform these studies independently. The final draft of the Study has been submitted.

For 2011, Tractebel will undertake additional works made up of the following:

a) Development of a Generation Master Plan for Ghana.

b) Economic and Financial Analysis on the additional system reinforcement projects for the Ghana-Burkina Faso Interconnection Project.

c) Development of specifications for the design, manufacture and installation of Static Var Compensators (SVC) for Kumasi and Tamale substations.

Annual Reliability Assessment Report (ARAR)

In collaboration with Power Systems Energy Consulting (PSEC) of USA, the company produced the 2010 Annual Reliability Assessment Report (ARAR). The Report presents an outlook of Ghana's bulk power supply system for stakeholders and the general public. It gives an overview of the operating status of the bulk power system and assesses whether the minimum reliability standards are met. In addition, the Report addresses the historical and long-term physical or structural limitations that could impair the reliability of the power system going forward and also estimates the cost to society and the Ghanaian economy of potential reliability failures.

PROJECTS

GRIDCo during the year under review undertook a number of projects and programs with the view to expanding the network and bringing increased efficiency in its operations.

Transmission Lines Right Of Way Vegetation Management

This project seeks to outsource transmission line right-of-way(ROW) bush clearing and access roads maintenance activities to local companies on a long term basis. It covers about 1,300km of line route and was awarded in November 2010 to 33 contractors. Contract duration is over a 2-year period made up of a base clearing period of about the first four months and a long term maintenance period for the remaining period.

This project aims to decrease the amount of transmission line outages due to overgrown vegetation and inaccessibility to the line for other maintenance activities.

Supply of Spare Power Transformers

The company procured eight (8) power transformers from Hyundai Heavy Industries (HHI) of Bulgaria at a total cost of 5.2 million Euros. All the transformers have been supplied and installed under various projects or assembled as standby units.

Supply of Unit and Power Transformers

This project which involved the supply of eight (8) power transformers from Shenzen Farad of China was paid for from internally generated funds at a cost of US$7.2 million. All transformers have been delivered and handed over to the company.

Supply Improvements to Ho

This project involved the provision of a second transformer at the Ho and Asiekpe substations to meet the increasing demand for power and also improve on the reliability of supply to Ho and the Volta Region. The project cost of 2.0 million Euros was funded from internally generated funds. Both transformers were successfully loaded in April 2010.

Substations Upgrade Project-Package C

This project involves the upgrade of various substation facilities at Techiman, Kumasi, Winneba and Akosombo.

The project contractor is Forclum Energies Services.

Status of the works is as follows:

Techiman: Second transformer commissioned; installation of second capacitor bank on-going;

Kumasi: one additional 66MVA transformer commissioned with its associated capacitor bank;

Winneba: Installation of first of two 33MVA transformers completed awaiting commissioning in February 2011; Two capacitor banks installed awaiting commissioning in first quarter of 2011.

The project is estimated to cost about US$6.0 million funded from internally generated.

Mallam Substation Upgrade Project

The Mallam substation presently is made up of two (2) 161kV lines and two (2) power transformers. This constitutes only 50% of the designed capacity of the station. The Mallam Substation Upgrade Project involves the provision of two (2) additional incoming lines and the installation of two (2) additional transformers to bring the station capacity to its design maximum.

The project is being funded by the World Bank through part of ECG's GEDAP facility;

Package 1: Supply of three (3) power transformers from Crompton Greaves of India.

Package 2: Civil Works, Supply of Balance of Plant, Electromechanical Erections and Testing and Commissioning of the facilities awarded to Fedders Lloyd of India.

His Excellency the Vice President at the inauguration of the Kumasi-Obuasi Transmission Reinforcement Project

The whole project is expected to be completed in September, 2011. The project is estimated to cost US $10.0million.

Emergency Provision of 4th Circuit to Achimota

This project which commenced in August 2010 will be completed during the first quarter of 2011. It involves the emergency provision of a fourth transmission line circuit between Volta substation and Achimota substation to provide additional power transfer capability for supply to Accra and its environs.

There are presently three (3) 161kV transmission lines between Volta and Achimota substations and a contingency on any one of the circuits, the maximum power transfer capability of the remaining circuits would be exceeded to meet demand. The 4th circuit therefore would provide the additional redundancy required.

SAE Power Lines is implementing the Project.

The estimated cost of the project is US$2.5 million.

Supply of Capacitor Banks Project

This two-phase project is being implemented to provide reactive power compensation at various substations in order to improve system voltages, reduce transmission losses and general improvement in system performance by the installation of shunt capacitor banks within the system.

The first phase of this project carried out by Best and Crompton has been completed at the Achimota, Takoradi, Sunyani, Winneba, Kpando and Smelter substations a total cost of US$3.0 million. The second phase which will be implemented at the Achimota, Techiman, Cape Coast and Ho substations will commence in 2011 at an estimated cost of US$2.5 million.

AUDITED FINANCIAL STATEMENTS

Ghana Grid Company Limited

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31 December, 2010.

1. The principal activity of the Company is Transmission of Electricity.
2. The balance sheet has been signed by two directors indicating the Board's approval of such balance sheet and attached accounts on pages 29 to 61.

	GH¢'000
The balance brought forward on income surplus account at 1 January 2010 was	**(10,972)**
To which must be added:	
Profit after taxation	**59,039**
Transfer from capital surplus	**11,235**
The balance to be carried forward on the income surplus account at 31 December 2010 therefore amounts to	**59,302**

3. In accordance with section 134(5) of the Companies Code 1963 (Act 179), the auditors, Messrs. Deloitte & Touche remain in office as auditors of the Company.

By order of the board

E. Appiah Korang	**Charles A. Darku**
Board Chairman	**Chief Executive**

Statement of Directors' Responsibilities

The Directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period. In preparing the financial statements, the Directors are required to:

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

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

The above statement, should be read in conjunction with the independent auditors' report on pages 29 to 61.

Deloitte.

Independent Auditors' Report
To the Members of Ghana Grid Company Limited

We have audited the accompanying financial statements of Ghana Grid Company Limited, as at 31 December, 2010, set out on pages 28 to 61 which have been prepared on the basis of the significant accounting policies on pages 35 to 46 and other explanatory notes on pages 45 to 61.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Deloitte.

Opinion

In our opinion, the company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies Code 1963, (Act 179). The financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2010, and of its financial performance and cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards.

Report on other legal requirements

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

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. in our opinion, proper books of accounts have been kept by the company so far as appears from our examination of those books; and

iii. the balance sheet and profit and loss account of the company are in agreement with the books of accounts.

Deloitte & Touche

Chartered Accountants
Accra, Ghana

9th May, 2011

Statement of Comprehensive Income
For the year ended 31 December 2010

	Note	2010	2009
		GH¢'000	GH¢'000
Revenue	4	164,950	80,764
Direct costs	5	(88,501)	(59,830)
Gross profit		76,449	20,934
Other income	6	1,602	1,425
Administrative expenses	7	(16,553)	(26,146)
Operating profit		61,498	(3,787)
Finance costs	8	(3,046)	(3,915)
Finance income	9	587	844
Profit/(loss) before taxation		59,039	(6,858)
Taxation	10	-	-
Profit/(loss) after taxation		59,039	(6,858)
Earnings per share	11	5.90	(0.69)

The notes on pages 34 - 45 form an integral part of these accounts

Statement of Financial Position
As at 31 December, 2010

	Note	2010 GH¢'000	2009 GH¢'000
Assets			
Non-current assets			
Intangible assets	12(a)	152	85
Property, plant & equipment	12(b)	486,655	488,386
Investment	13	2,347	781
Total non-current assets		489,154	489,251
Current assets			
Inventories	14	4,508	5,264
Trade and other receivables	15	79,538	6,696
Cash and short-term deposits	16	32,655	4,606
Total current assets		116,701	16,566
Total assets		605,855	505,818
Equity & liabilities			
Equity attributable to equity holders			
Stated capital	17	252,036	252,036
Income surplus		59,302	(10,972)
Capital surplus	18	152,897	150,942
Total equity		464,235	392,006
Non-current liabilities			
Interest-bearing loans and borrowings	19	95,697	103,541
Total non-current liabilities		95,697	103,541

Current liabilities			
Trade and other payables	**20**	**27,106**	340
Other current financial liabilities	**19**	**18,817**	9,930
Total current liabilities		**45,923**	10,271
Total liabilities		**141,620**	113,812
Total equity and liabilities		**605,855**	505,818

E. Appiah Korang
Board Chairman

Charles A. Darku
Chief Executive

The notes on pages 34 - 61 form an integral part of these accounts

Statement of changes in equity
For the year ended 31 December, 2010

	Stated capital GH¢'000	Amount held towards capital GH¢'000	Income surplus account GH¢'000	Capital surplus GH¢'000	Total GH¢'000
Balance at 1 January 2009	1	249,114	(13,130)	79,942	**315,927**
Transfer of Inventory from VRA	-	2,921	-	-	**2,921**
Total recognised income and expense	-	-	(6,858)	-	**(6,858)**
Transfer from capital surplus	-	-	9,016	(9,016)	**-**
Transfer from amount held towards capital	252,035	(252,035)	-	-	**-**
Revaluation surplus	-	-	-	80,016	**80,016**
Balance at 31 December 2009	252,036	-	(10,972)	150,942	**392,006**
Balance at 1 January 2010	252,036	-	(10,972)	150,942	**392,006**
Total recognised income and expense	-	-	59,039	-	**59,039**
Transfer from capital surplus	-	-	11,235	(11,235)	**-**
Revaluation surplus	-	-	-	13,190	**13,190**
Balance at 31 December 2010	**252,036**	**-**	**59,302**	**152,897**	**464,235**

Statement of cash flow
For the year ended 31 December, 2010

		2010	2009
		GH¢'000	GH¢'000
Operating activities			
Operating profit/(loss) before tax		**59,039**	(6,858)
Adjustment to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation and impairment of property, plant & equipment		**23,742**	21,454
Profit on sale of assets		**-**	(4)
Interest paid		**3,046**	3,915
Interest received		**(587)**	(844)
Working capital adjustments:			
Decrease/(increase) in inventories		**756**	(1,984)
(Increase)/decrease in trade and other receivables		**(72,842)**	12,651
Increase in trade and other payables		**26,763**	282
Net cash generated from operating activities		**39,917**	28,612
Investing activities			
Proceeds from sale of assets	12b	**-**	4
Purchase of property, plant and equipment	12b	**(8,785)**	(29,288)
Addition to intangible asset	12a	**(100)**	-
(Purchase)/sale of investments		**(1,566)**	90
Net cash used in investing activities		**(10,451)**	(29,194)

Financing activities			
Other financial liabilities	26	**1,043**	5,682
Interest paid		**(3,046)**	(3,915)
Interest received		**587**	844
Net cash (used in)/ generated from financing activities		**(1,416)**	2,611
Net increase in cash and cash equivalents		**28,049**	2,030
Cash and cash equivalents at 1 January		**4,606**	2,576
Cash and cash equivalents at 31 December		**32,655**	4,606

Notes to the financial statements
For the year ended 31 December, 2010

1. Reporting entity

The financial statements of Ghana Grid Company Limited (GRIDCo) for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on March 25, 2011. The Company is incorporated and domiciled in Ghana. The registered office is located at Minstry of Energy, P.O. Box SD40, Accra.

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis as modified by the revaluation of property, plant and equipment.

2.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

2.3 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.4 Changes in accounting policy and disclosures

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the company (although they may affect the accounting for future transactions and events)

The following standards and amendments to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2010 or later periods, but the company has not early adopted them.

Amendments to IAS 7 Statement of Cash Flows (as part of Improvements to IFRSs issued in 2009). The amendments to IAS 7 specify that only expenditure that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. The application of the amendments to IAS 7 has resulted in a change in the presentation of cash outflows in respect of development costs that do not meet the criteria in IAS 38 Intangible Assets for capitalisation as part of an internally generated intangible asset. This change has been applied retrospectively but do not have any significant impact on the company.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended). IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

The change in accounting policy was applied prospectively and had no material impact on earnings per share.

In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments did not have material impact on the financial position or performance of the Company.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).

IFRIC 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009. This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the bank as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied. In particular, the bank should clearly document its hedging strategy because of the possibility of different designations at different levels of the company.

IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement', effective 1 July 2009. This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remains classified as at fair value through profit or loss in its entirety.

IAS 38 (amendment), 'Intangible assets', effective 1 January 2010. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

IAS 1 (amendment), 'Presentation of financial statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

IAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics).

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Company has concluded that the amendment will have no impact on its financial position or performance, as the it has not entered into any such hedges.

IFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective form 1 January 2010. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted. The company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 1 First-time Adoption of International Financial Reporting Standards — Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (Effective for annual periods beginning on or after 1 July 2010).

IFRS 1 has been amended to allow first-time adopters to utilise the transitional provisions in IFRS 7 Financial Instruments: Disclosures as they relate to the March 2009 amendments to the standard. These provisions give relief from providing comparative information in the disclosures required by the amendments in the first year of application.

To achieve this, the transitional provisions in IFRS 7 were amended to clarify that the disclosures need not be provided for. Annual or interim periods, including any statement of financial position, presented with an annual comparative period ending before 31 December 2009, and any statement of financial position as at the beginning of the earliest comparative period as at a date before 31 December 2009.

IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the company's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.

Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The company will apply the revised standard from 1 January 2011. The company is currently putting systems in place to capture the necessary information. It is, therefore, not possible at this stage to disclose the impact, if any, of the revised standard on the related party disclosures.

'Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'. The company will apply the amended standard from 1 January 2011.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

should be applied retrospectively to the earliest comparative period presented. The will apply these amendments for the financial reporting period commencing on 1 January 2011.

2.5 Summary of significant accounting policies

Recognition of income

Transmission service charge.

Revenue from the transmission of power is recognised upon delivery of power.

Interest income. Revenue is recognised as interest accrues.
Fibre Optic Maintenance Income. Revenue is recognised when service is completed.

Foreign currency translation

The Company's financial statements are presented in Ghana Cedi, which is its functional currency. This is the currency of the primary economic environment in which Ghana Grid Company Limited operates. Transactions in foreign currencies are recorded at the functional currency spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables and loans.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)
Summary of significant accounting policies (Continued)

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or loans and borrowings, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdraft, loans and borrowings and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Offsetting of financial instruments

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

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Derecognition of financial instruments

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)
Summary of significant accounting policies (Continued)

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/ or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Derecognition of Property Plant and Equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

	Depreciation Rate (%)	Useful Life
Transmission asset	Between 2.2 and 3.3	30 - 45
Land	Between 2.5 and 3.1	32 - 40
Building	2.5	40 - 40
Vehicles	Between 10 and 25	4 -10
Computer	Between 20 and 25	4 - 5
Equipment and other miscellaneous assets	Between 12.5 and 25	4 - 8

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)
Summary of significant accounting policies (Continued)

Depreciation on an asset commences when the asset is ready to be used and continues until it is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The company capitalises borrowing costs for all eligible assets where construction was commenced on or after 1 January 2008.

Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Materials - purchase cost on a weighted average basis.

Net realisable 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.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)
Summary of significant accounting policies (Continued)

Impairment of non-financial assets

The Company assesses assets for impairment, at each reporting date. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)
Summary of significant accounting policies (Continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where Gridco expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

4 Revenue	2010 GWH	2009 GWH	2010 GH¢'000	2009 GH¢'000
Transmission income	**9,807.65**	8,787.36	**164,950**	78,696
Wheeling income	**-**	149.00	**-**	2,068
Sub-station usage	**4.99**	4.67	**-**	-
Transmission loss	**414.79**	339.26	**-**	-
	10,227.43	9,280.29	**164,950**	80,764

5 Direct expenses

	2010	2009
	GH¢'000	GH¢'000
Staff cost	**18,815**	14,355
Materials and spares consumed	**513**	355
Other direct cost	**7,416**	3,352
Depreciation	**23,258**	21,198
Transmission loss	**38,499**	20,569
	88,501	59,830

6 Other income

	2010	2009
	GH¢'000	GH¢'000
Fibre optic maintenance income	**584**	868
Miscellaneous income	**1,018**	553
	1,602	1,422

7 Administrative expenses

	2010	2009
	GH¢'000	GH¢'000
Staff Cost	**9,240**	6,951
Materials and spares consumed	**592**	199
Other administrative cost	**3,741**	4,465
Depreciation	**484**	256
Auditors remuneration	**40**	40
Exchange loss	**2,456**	14,236
	16,553	26,146

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

8 Finance costs	**2010**	2009
	GH¢'000	GH¢'000
Interest on loans and overdrafts	**3,046**	3,915

9 Finance income	**2010**	2009
	GH¢'000	GH¢'000
Interest income	**587**	844

10 Taxation

The compononents for income tax for 2010 is as follows;

Year of assessment	At 1 Jan GH¢'000	Paid during the year GH¢'000	Charge for the year GH¢'000	**At 31 Dec GH¢'000**
2010	-	-	-	-
	-	-	-	-

A reconciliation between tax expense and accounting profit for the years ended 31 December 2010 and 2009 is as follows:

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

	Note	**2010** **GH¢'000**	2009 GH¢'000
Accounting profit		**59,039**	(6,858)
Non taxable item			
Add back provision for bad debt		**-**	116
Add back provision for depreciation		**23,738**	21,454
		82,777	14,712
Capital allowance	25	**(45,623)**	(62,300)
Profit Before Capital Allow b/f / **(Excess Capital Allow) For the Period**		**37,154**	-47,588
Excess Capital Allowance B/f		**-136,753**	-89,165
Excess Capital Allowance Carry Forward		**-99,599**	-136,753
Tax thereon 25%		-	-

11 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations:

	2010	2009
Net profit attributable to equity shareholders	**59,039,000**	(6,857,674)
Number of ordinary shares for basic earnings per share	**10,000,000**	10,000,000
Earnings per share (GH¢)	**5.90**	(0.69)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

12 (a) Intangible assets	Software	Total
	GH¢'000	GH¢'000
Cost/valuation		
Balance as at 1 January 2010	100	**100**
Gross revaluation adjustment	4	**4**
Additions	100	**100**
	204	**204**
Depreciation		
Balance as at 1 January 2010	15	**15**
Gross revaluation adjustment	1	**1**
Charge for the year	36	**36**
At 31 December 2010	52	**52**
Net book value		
At 31 December 2010	152	**152**
At 31 December 2009	85	**85**

12(b) Property, plant & equipment

Cost/valuation	Transmission assets GH¢'000	Freehold land GH¢'000	Leasehold land GH¢'000	Buildings GH¢'000	Motor vehicles GH¢'000	Computers GH¢'000	Miscellaneous plant & office equipment GH¢'000	Capital work-in progress GH¢'000	Total GH¢'000
Balance as at 1 January 2010	973,611	459	1,171	15,261	7,476	219	141	59,803	**1,058,142**
Disposals									
HIPC relief									
Transfers									**-**
Gross revaluation adjustment	28,321			484	202	23	6	-	**29,036**
Additions	2,390				2,961	359	524	2,551	**8,785**
At 31 December 2010	1,004,322	459	1,171	15,745	10,639	601	671	62,354	**1,095,963**
Depreciation									
Balance as at 1 January 2010	559,459	-	59	5,448	4,522	148	120	-	**569,756**
Disposals									**-**
Transfers To Vodafone (Disposal)									**-**
Gross revaluation adjustment	15,531	-	-	163	151	(2)	3	-	**15,846**
Charge for the year	22,298	-	30	242	1,058	59	19	-	**23,706**
At 31 December 2010	597,288	-	89	5,853	5,731	205	142	-	**609,308**
Net book value									
At 31 December 2010	**407,034**	**459**	**1,082**	**9,892**	**4,908**	**396**	**529**	**62,354**	**486,655**
At 31 December 2009	414,152	459	1,112	9,813	2,954	71	21	59,803	**488,386**

There were no indications of impairment at the reporting date.

Revaluation of property, Plant and Equipment was done at December 31, 2010 by an internal valuer.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

13 Investments This represents various loan granted to staff with a duration of between five and **ten years.**

14 Inventories

The inventories are made up of:	**2010**	2009
	GH¢'000	GH¢'000
Stores and Spare parts	**4,509**	5,265
Provision for obsolete & slow moving stock	**(1)**	(1)
	4,508	5,264

15 Trade & other receivables	**2010**	2009
	GH¢'000	GH¢'000
Trade receivables	**68,138**	2,228
Impairment of trade recievables	**(244)**	(244)
Fibre Optic Maintenance Debtor- Vodafone	**59**	868
Prepaid expenses	**9,239**	3,162
Staff advances	**2,346**	682
	79,538	6,696

Trade receivables are non-interest bearing and are generally on 30-90 day terms.

16 Cash and short-term deposits	**2010**	2009
	GH¢'000	GH¢'000
Fixed Deposit	**6,000**	
Call Account	**4,127**	3,946
Cash at banks and on hand	**22,528**	660
	32,655	4,606

Cash and short-term deposits include the following for the purposes of the cash flow statement:

	2010	2009
	GH¢'000	GH¢'000
Cash at banks and on hand	**32,655**	4,606
	32,655	4,606

17 Issued capital and other capital reserves	**2010**	2009
i) The number of shares authorized, issued and in treasury are as follows:-		
Ordinary:		
Authorized	**10,000,000**	10,000,000
Issued	**10,000,000**	10,000,000
ii) Proceeds from the issued shares are as follows:-	**GH¢'000**	GH¢'000
Ordinary shares:		
Issued for cash	**1**	1
Consideration other than cash	**252,035**	252,035
Total	**252,036**	252,036

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

18 Amount held towards capital

This has been converted in to share capital by a special resolution by the owner.

19 Interest bearing loans and borrowings	2010	2009
	GH¢'000	GH¢'000
Loans due within one year	**18,817**	9,930
Loans falling fue after one year		
GoG Soveriegn bond	**31,630**	31,630
Loans due within two and five years	**5,680**	5,489
Over ten years	**58,387**	66,422
	95,697	103,541

20 Trade & other payables	2010	2009
	GH¢'000	GH¢'000
Accrued expenses	**27,066**	300
Provision for audit fees	**40**	40
	27,106	340

21 Related party transactions

	2010	2009
(a) Loans due from related parties:	GH¢'000	GH¢'000
Officers and other employees	**4,693**	1,463
	4,693	1,463

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

22 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. These loans were contracted by the Volta River Authority mainly for the construction of transmission related assets. Upon the formation of Gridco, the assets and related liabilities were transfered to the newly formed company.

The Company is exposed to market risk, interest rate risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. Management has consistently measured and managed these risk in accordance with the company's policies .

The Board of Directors reviews and agrees to policies for managing each of these risks which are summarised below.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	Carrying amount	
	2010	2009
Fixed rate instruments	GH¢'000	GH¢'000

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

Financial assets	72,831	3,692
Financial liabilities	114,514	113,471

Sensitivity analysis

The company had no variable interest rate instruments at the reporting date and at 31 December 2010.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and Loans Denominated in a different currency from the Company's functional currency.

22 Financial risk management objectives and policies - continued

The comapany's exposure to foreign currency risk was as follows based on notional amounts:

	2010	2009
	US$'000	US$'000
Loans	**28,651**	28,651
Net balance sheet exposure	**28,651**	28,651

The following exchange rates were applied during the year:

Ghana Cedi

	Average rate	**Reporting date spot rate**
	2010	**2010**
US$ 1	1.05	**1.43**

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

Sensitivity analysis

A 10 percent strengthening in the Ghana Cedi against the following currencies would have increased/ (decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ended 31 December 2009.

Effect in Ghana Cedis	Profit/(loss)
	GH¢'000
31 December 2009	
US$	5,001

A 10 percent weakening in the Ghana Cedi against the above currencies at the reporting date and at 31 December 2010 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

Liquity risk is the risk that the comapany will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unaceptable losses or risking damage to the comapny's reputation.

The company manages its cash position and future outflows on an ongoing daily basis. The company ensures that it has sufficient cash on demand to meet expected operational expenses and liabilities as they fall due.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements.

22 Financial risk management objectives and policies - continued

31 December 2010	Carrying amount GH¢'000	less that 6 months GH¢'000	6-12 months GH¢'000	1-2 years GH¢'000	2-5 years GH¢'000
Accrued expenses	9,218	9,218	-	-	-
Loans	114,513	9,408	9,408	24,884	70,813
	123,731	18,626	9,408	24,884	70,813

Credit risk

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

Credit risk related to financial instruments and cash deposits: credit risk from balances with banks and financial institutions is managed by Company management in accordance with its policy.

Exposure to credit risk

The carrying value of the company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

Exposure to credit risk

The carrying value of the company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2010 GH¢'000	2009 GH¢'000
Trade receivables	**67,894**	1,984
Other receivables	**4,693**	1,463
Cash and cash equivalents	**32,655**	4,606
	105,242	8,053

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Collateral

The Company did not hold collateral of any sort at 31 December 2010.

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

23 Contingencies and commitments

(a) Guarantees and indemnities
There were no guarantees nor indemnities at the reporting date.

(b) Contingent liability
There were no contingent liabilities at the reporting date.

(c) Commitments
There were no Financial Commitments at the reporting date.

24 Events after the balance sheet date

The directors are not aware of any event since the end of the financial year, not otherwise dealt with in the financial statements, that would affect the operations of the Company.

25 Capital Allowance Computation

	Computer Equipment	Auto-mobiles and Machinery	Furniture and Fittings	Buildings, Structures and works of Permanent Nature	
	Class 1	Class 2	Class 4	Class 5	
	40%	30%	20%	10%	Allowance
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Written down value b/f Jan '10	20	202,992	21	5,548	
Additions	177	2,290	-	773	
Balance c/d 31/12/2009	197	205,282	21	6,321	

Notes to the financial statements
For the year ended 31 December, 2010 (Continued)

Written Down Allowance	(79)	(61,585)	(4)	(632)	(62,300)
	118	143,698	17	5,689	

Written down value b/f Jan '10	118	143,698	17	5,689	
Additions	459	5,351	524		
Balance c/d 31/12/2010	577	149,049	541	5,689	
Written Down Allowance	(231)	(44,715)	(108)	(569)	(45,623)
Written Down Value c/f	346	104,334	433	5,120	

PROXY FORM

We .... of ....

being (a) member(s) of the above-named company hereby appoint ....

.... or failing him/her ....

of ....as our proxy to vote for us on our behalf at the 2nd Annual General Meeting of the company to be held on Tuesday June 28, 2011 at the Holiday Inn Hotel, Airport City, Accra and at any adjournment thereof.

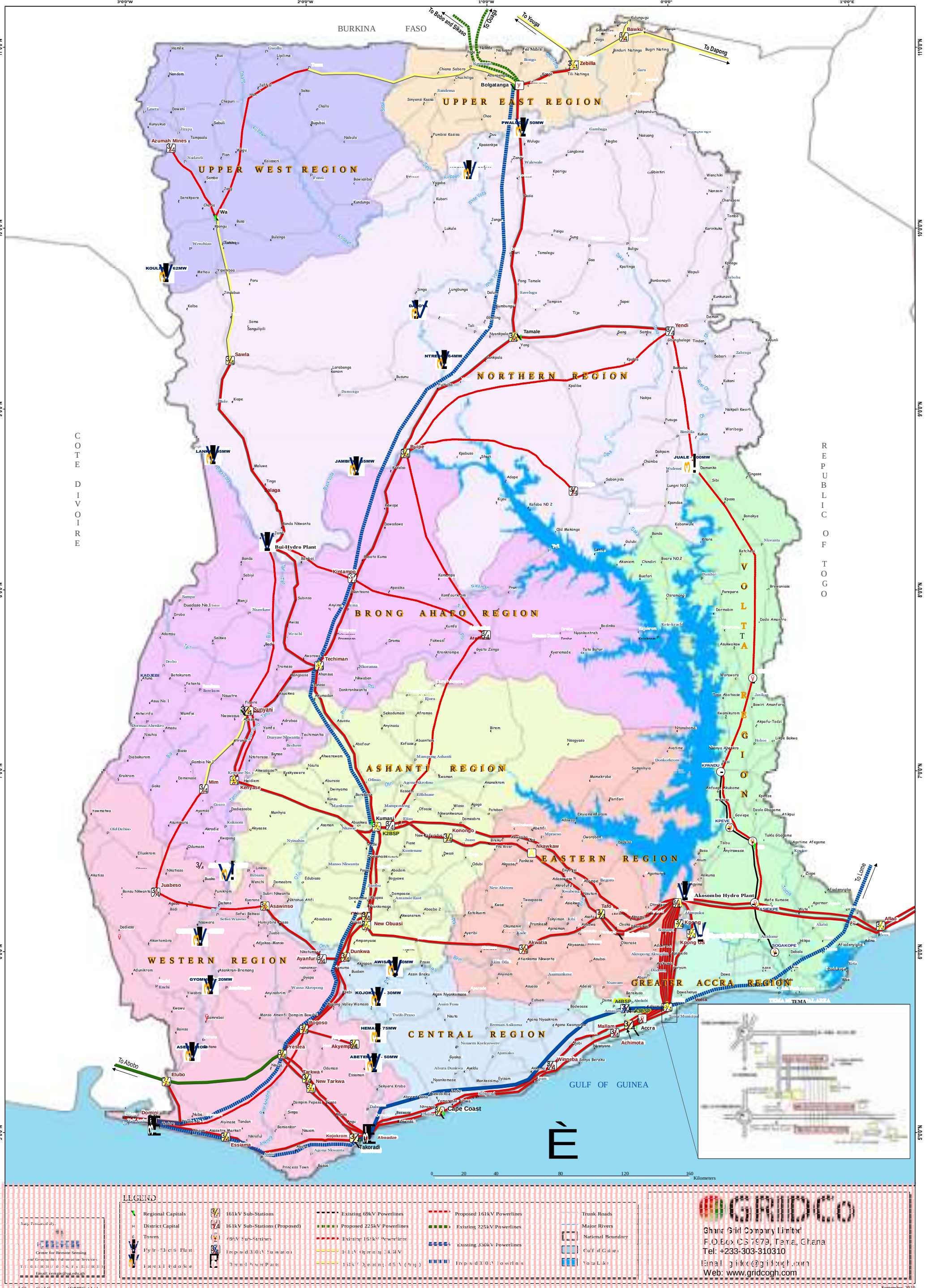
Please indicate with an "X" in the spaces below how you wish your vote to be cast.

RESOLUTION	FOR	AGAINST
1 . To receive the Financial Statements		
2. To re-appoint Deloitte as Auditors of the GRIDCo and to authorise the Directors to determine the Remuneration of the Auditors for the ensuing year.		

Signed this ……… day of June, 2011

Shareholder's Signature……………………………………..

NATIONAL INTERCONNECTED TRANSMISSION SYSTEM OF GHANA



Property of Ghana Grid Company (GRIDCo) Ltd

September, 2010

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