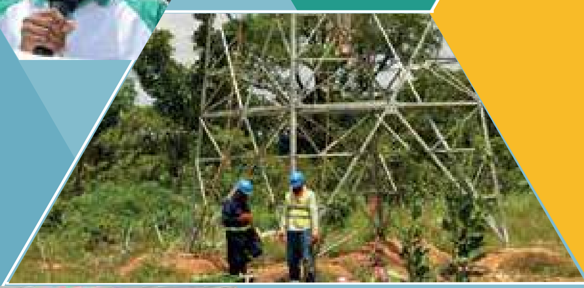
GHANA GRID COMPANY LIMITED
Annual Report 2013

GRIDCo

Backbone to Power Delivery



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NOTICE AND AGENDA OF THE FIFTH (5TH) ANNUAL GENERAL MEETING OF THE GHANA GRID COMPANY LIMITED.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Ghana Grid Company Limited (GRIDCo) will be held at Holiday Inn, Accra on August 20, 2014 at 10.00a.m. to transact the following business:

1. To receive and consider the Financial Statements for the year ended December 31, 2013 together with the Reports of the Directors and Auditors thereon;

2. To authorize directors to appoint auditors to audit the 2014 Financial Statements and to fix the remuneration of Auditors.

DATED IN ACCRA THIS DAY OF JULY 22, 2014.
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.

CORPORATE INFORMATION

DIRECTORS

Alhaji Huudu Yahaya	Chairman	(Appointed 31 January 2014)
Ing. William Amuna	CEO	(Appointed 12 September 2013)
Dr. Patrick Buah	Member	(Appointed 31 January 2014)
Mr. Adam Mukaila	Member	
Mr. Anthony El Adas	Member	(Appointed 31 January 2014)
Mr. Daniel Yahaya	Member	(Appointed 31 January 2014)
Mr. Kwabla Dogbe Senanu	Member	(Appointed 31 January 2014)
Mr. Emmanuel Appiah Korang	Chairman	(Resigned 31 January 2014)
Mr. Charles A. Darku	CEO	(Resigned 17 June 2013)
Dr. Thomas Wobil Ansah (Ag. CEO from 24 June 2013 to 11 September 2013)		(Resigned January 31, 2014)
Mr. Agbesi Kwadzo Dzakpasu	Member	(Resigned 31 January 2014)
Ms. Johanna Kuukua Awotwi	Member	(Resigned 31 January 2014)
Mr. Kwesi Adu	Member	(Resigned 31 January 2014)
Ms. Dzifa Amegashie	Member	(Resigned 31 January 2014)

BOARD SECRETARY

Monica Nana Ama Senanu (Mrs.)

AUDITORS

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

REGISTERED OFFICE

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Fax: (+233)(0)30 331 8724
E-Mail: gridco@gridcogh.com
Website: www.gridcogh.com

STRUCTURE

OWNERSHIP
GRIDCo is a private limited liability company wholly-owned by the Government of Ghana. The company is presently governed by a seven-member Board of Directors.

OUR MISSION
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.

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

OUR VALUES
- Maintenance of a dedicated and highly skilled workforce.
- Dedication to professionalism and occupational excellence.
- Customer responsiveness.
- Commitment to the highest safety standards and environmental practices.
- Integrity, honesty and accountability.
- Stakeholder consultation and partnership.
- Fairness and non-discriminatory service delivery.

STRUCTURE

ASSETS

The main assets of GRIDCo are:

- Transmission towers, conductors and accessories;
- Substations and related equipment;
- System Communication equipment;
- Lands, buildings and miscellaneous assets.

MODE OF POWER TRANSMISSION

GRIDCo owns and operates the transmission grid which comprises all electrical transmission facilities above 36kV with a total length of 5,100 circuit km. These lines carry power from various generating stations to fifty-four (54) transformer substations. At these substations, the power is stepped down to lower voltages including 34.5 kV and 11kV for the major bulk customers which include the distribution companies namely; Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDCo) and Enclave Power Company (EPC).

CUSTOMERS

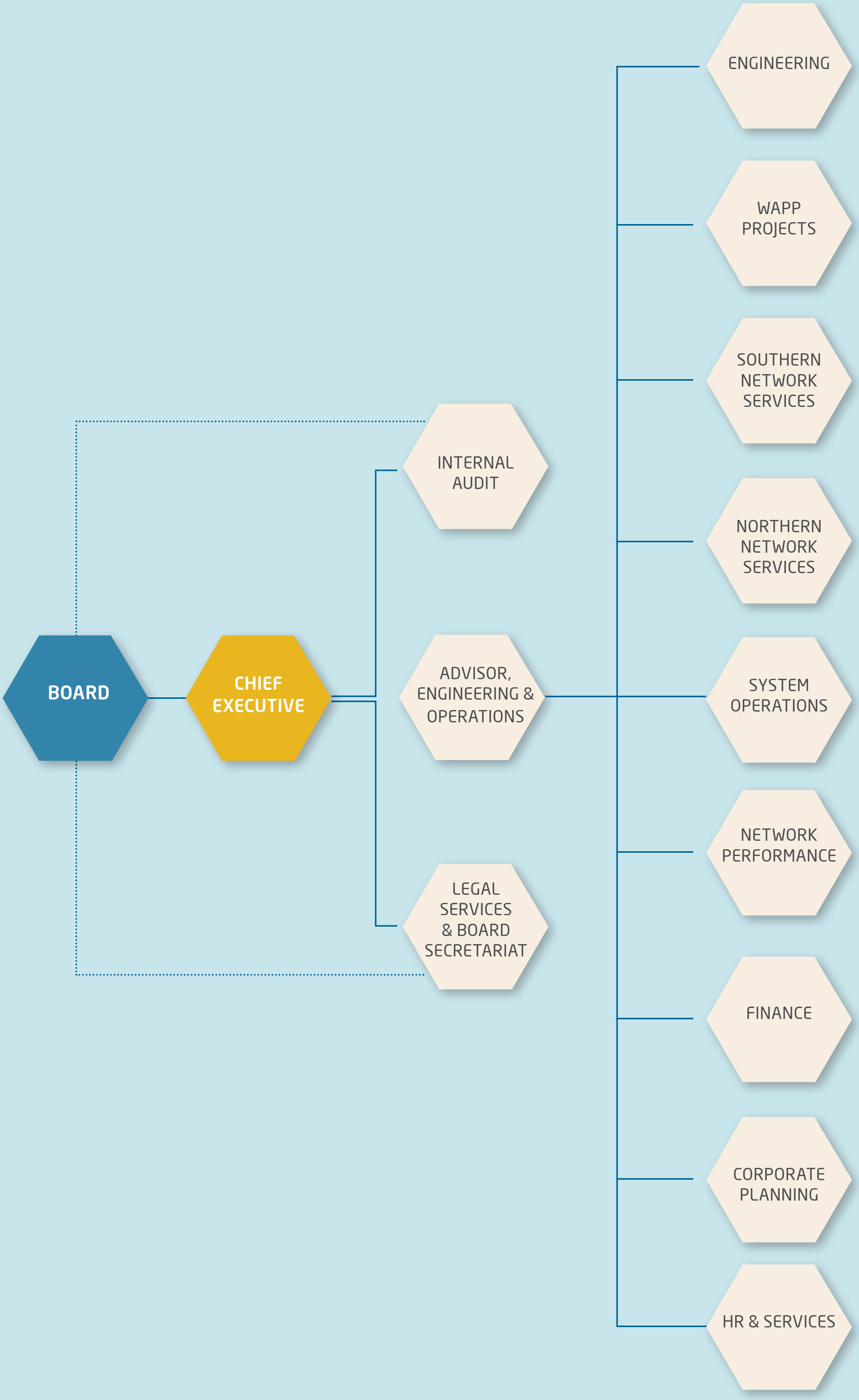
As an Electricity Transmission Utility, GRIDCo takes delivery of power from the generating companies and delivers it to ECG, NEDCo and bulk customers, such as the mines, textiles and aluminum smelting factories.

DEPARTMENTS:

To facilitate the provision of reliable transmission services in an open and fair manner and also ensure that corporate goals and objectives are accomplished in a cost effective and environmentally sustainable manner, the functions of GRIDCo have been grouped under the following Departments:

- Engineering;
- Finance;
- Human Resource and Services;
- Legal Services and Board Secretariat;
- Northern Network Services;
- Southern Network Services;
- Network Performance;
- System Operations;
- Internal Audit;
- West African Power Pool (WAPP) Projects,
- Corporate Planning

ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS

1. Alhaji Huudu Yahaya	-	Chairman
2. Ing. William Amuna	-	Chief Executive
3. Mr. Adam Mukaila	-	Member
4. Mr. Anthony El Adas	-	Member
5. Mr. Kwabla Dogbe Senanu	-	Member
6. Dr. Patrick Buah	-	Member
7. Mr. Daniel Yahaya	-	Member

CHAIRMAN'S STATEMENT

Alhaji Huudu
YAHAYA
CHAIRMAN

Dear Shareholder,
I am pleased to welcome you to this year's Annual General Meeting and to present to you, on behalf of the Board, the Annual Report for the 2013 Financial Year.

In 2013, significant strategic and operational progress was made in our quest to develop an efficient and robust transmission network. The Company remained focused on its corporate strategies amidst a very challenging Power Sector environment.

POLICY ISSUES

Over the past four (4) years, targeted investments have been made into the National Interconnected Transmission System (NITS) and it is evident that the Company is gradually achieving its aim of developing a robust and resilient transmission system with enough redundancies to ensure uninterrupted power to customers.

Following the Shareholder's approval for GRIDCo to use its transmission assets to carry out general commercial telecommunication and related services, some steps have been initiated in the development of a strategic framework for the development of GRIDCo's telecommunication network infrastructure over the next ten years, up to 2023. The framework involves a road map and an investment program which will allow GRIDCo to develop an efficient and reliable telecommunication network for the delivery of all its internal services (SCADA, Tele-protection, Voice, Data, Metering, Video, Smart Grid, etc.), power system operations as well as reliable connectivity to key stakeholders in the power sector operations, among others.

In consideration of the real potential of the addition of renewable energy into the energy system (sector) in Ghana, GRIDCo is working with the Energy Commission (EC) to develop standards and codes that will ensure the seamless integration of renewables into the NITS.

In support of the government's Local Content Policy, the company is carrying out a Local Content Initiative where local expertise is used in the development of the NITS, especially in the upgrade of substations such as replacement and expansion works in Konongo, Kpeve, Sogakope, Aflao, Yendi and Ayanfuri Substations. This Project presents us with a tremendous opportunity to invest in the latest technology and ensure we have a network that will meet the future challenges as part of our investment programme.

Our initiatives to outsource Vegetation Control and Right-of-Way (ROW) Management works on a long term basis have been determined as very successful and have impacted on job creation and earnings of a large number of firms and individuals in rural Ghana. We have encouraged Management to continue this initiative and work to expedite the implementation of the second phase of this programme in 2014.

In 2013, significant strategic and operational progress was made in our quest to develop an efficient and robust transmission network.

OPERATIONAL ISSUES

In order to sustain progress the Company has attained over the past few years, the Board would continue to support Management in its engagement with the PURC to ensure that GRIDCo is given the appropriate economic Transmission Service Charge and that the Automatic Tariff Adjustment Mechanism is implemented consistently to help in the generation of the revenue for the required investment in the NITS.

OCCUPATIONAL HEALTH AND SAFETY

The Board recognizes that staff and contractors play a vital role in the success of our business and their safety and well-being remain a priority for the Company. The Company provides continuous training for members of our Safety Committees. Substation operators and attendants have been trained in the use of fire prevention equipment and in the administration of Cardio-Pulmonary Resuscitation.

We have recommended the development of an Occupational Safety, Health and Environment Manual for GRIDCo's contractors and directed Management to sanction contractors who do not comply with it.

REGIONAL COOPERATION

We made good progress in our quest to support the sub-regional power supply initiative and the government's policy to make Ghana a net exporter of electricity to the sub-region. For example, the Volta-Tornu segment of the West African Power Pool (WAPP) Coastal Transmission Backbone Project, funded by the African Development Bank (AfDB), is underway and is expected to be completed in 2014 to offer an alternative path for power transfer with Togo/Benin and Nigeria.

CHANGE MANAGEMENT PROGRAMME

In line with current trends in business practice, we have recommended to Management, the introduction of a new performance management system that is objective, ensures continues improvement and is aligned to corporate targets. The Board has encouraged Management to ensure adequate staff education on the new performance management scheme to ensure effective cooperation and "buy-in" prior to implementation.

MARKET OPERATIONS

The shortages in generation that was recorded in 2013 primarily due to inadequate gas supply from West Africa Gas Pipeline (WAGP), signaled to us the urgency in partnering with the Government and investors in order to accelerate the development of new generators and ultimately build adequate spinning reserves in the system.

GRIDCo is seeking to engage a Consultant to review and recommend modifications to the existing draft Market Rules for the regulation of the Wholesale Electricity Market.

CORPORATE SOCIAL RESPONSIBILITY

We continued with our corporate social responsibility efforts in the areas of health, education and research and hope that our contributions will benefit a larger segment of the society each year.

OUTLOOK

Following the amendment of the company's objects at the fourth (4th) Annual General Meeting to include the provision of commercial telecommunication services, the Company has taken steps in the development of a Telecommunications Master Plan which will guide the strategic development of the telecommunications infrastructure for the provision of the said services. The Company intends to continue in its efforts to ensure that these services are provided in the most efficient manner in order to provide an alternative revenue stream for the Company.

In the coming year, we intend to implement a Risk Management and Business Continuity Plan to assist the Company in identifying and mitigating the potential risks that are likely to arise as the company endeavors to achieve its corporate strategy.

The Board continues to provide maximum support to Management in the implementation of the Balanced Scorecard (BSC) Performance Management System in GRIDCo. The BSC is a strategic planning and performance management framework which has been identified as an effective tool for creating and sustaining high performance organizations. Considering the challenging operating environment we worked during the year under review, the general performance of the company was commendable. We believe that the pursuit of a new performance management system that will align individual objectives to the corporate targets in our business will enable us to move to a more focused and efficient organization.

CONCLUSION

I wish to thank the Government and my colleagues on the Board (both serving and those whose term ended and have been replaced) for the tremendous support over the past year. Their relentless drive and commitment ensured that we delivered strong earnings and a sturdy growth in the company.

During the period, Mr. Charles Darku, who served both as a Member of the Board and a Chief Executive, resigned from GRIDCo. On behalf of the Board I want to thank him for his immense contributions to the growth of the Company and wish him the best in his new endeavour.

I also want to thank our staff, customers and all our stakeholders for keeping faith in our ability to create value for them even in challenging times.

I also want to thank our staff, customers and all our stakeholders for keeping faith in our ability to create value for them even in challenging times.

Alhaji Huudu Yahaya
BOARD CHAIRMAN

MANAGEMENT TEAM

1. ING. WILLIAM AMUNA
Chief Executive

2. MR. SURAJ OMORO AMADU
Advisor, Engineering & Operations

3. MR. NORBERT C.D. ANKU
Director, Southern Network Services

4. MR. ERIC ASARE
Director, Network Performance

5. REV. SAMUEL F. KWOFIE
Director, Engineering

6. MR. BERNARD MODEY
Director, System Operations

7. MR. KOFI MENSAH
Ag. Director, Northern Network Services

8. MR. ISAAC K. AKESSEH
Director, Corporate Planning

9. MR. KOFI OKOFO DARTEY
Director, Finance

10. MRS. MONICA N. A. SENANU
Company Solicitor and Board Secretary

11. WG. CMDR. (RTD.) SAMUEL J. A. ALLOTEY
Director, Human Resource and Services

12. MR. RICHARD NTIM
Chief Internal Auditor

13. MR. FRANCIS KYERE
Ag. Director, WAPP Projects

CHIEF EXECUTIVE'S STATEMENT

WILLIAM
AMUNA
CHIEF EXECUTIVE

Dear Shareholder, distinguished ladies and gentlemen,

I am pleased to welcome you to the Fifth Annual General Meeting of the Ghana Grid Company Limited (GRIDCo) and to use this opportunity to report on our corporate performance in 2013.

In 2013, we executed some significant business transactions and continued to work at consolidating the National Interconnected Transmission System into a robust and resilient network to match the growing demand for electricity across the country and to promote socio-economic development in Ghana.

Most importantly, we benefited immensely from the operations of the state-of-the-art System Control Centre as it made scheduling and dispatch of power easier to drive efficiency and improve service to customers.

Though we are not satisfied with the results for the year, I am pleased with our progress during 2013 given the challenges the Power Sector faced with shortfall in generation which continued from 2012 and persisted into the first half of 2013. Looking ahead, we have a clear understanding of what we need to do to continue to partner with stakeholders within the Sector and drive long–term shareholder value and deliver on our mission.

INCREASE IN TSC

13.5%

Another challenge we faced in 2013, which will continue to work against us in 2014, was the low level of the Transmission Service Charge (TSC) approved by the Public Utilities Regulatory Commission (PURC). GRIDCo requested for a 40.52% tariff increase but the PURC granted only 13.5%, in September 2013, bringing it up to GHp2.8205/kWh, effective October 1, 2013. Included in the new TSC is a Transmission Loss component which increased from GHp0.323/kWh to GHp0.6554/kWh (102.9%). Whereas GRIDCo received 13.5% increase in TSC, the Bulk Generation Tariff (the rate for paying transmission loss) increased by 36%. GRIDCo will proportionately pay more for transmission loss at GHp11.49/kWh in excess of normal the transmission losses threshold of 3.5%. We hope the Automatic Tariff Adjustment Mechanism will be pursued during 2014 to enable us improve on our revenue base and meet all our obligations.

FINANCIAL OPERATIONS

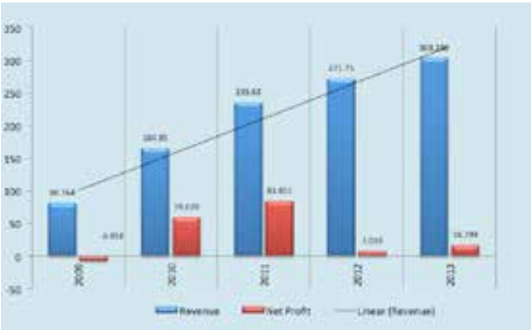
GRIDCo has, in four (4) consecutive years, continued to deliver sterling financial results with revenue from energy transmitted for 2013 amounting to GHC 303.236 Million representing a 12% increase as compared with the previous year's value of GHC 271.75

Million. We attribute the increase in revenue to the increase in power transmission in 2013. End of year operating profit stood at GHC 67.075 Million.

During the year under review, GRIDCo recorded Finance cost of GHC20.95 Million, representing an increase of 192% as compared with the previous year's value of GHC 7.171Million. The increase in finance cost was mainly driven by foreign exchange loss, which accounted for about 63% of the finance cost recorded for the year under review.

In spite of the challenges enumerated above, an increase in power transmission over the period together with prudent management practices and rigorous monitoring of expenditure saw GRIDCo recording a net profit of GHC 16.799 Million.

FINANCIAL PERFORMANCE 2009 - 2013



NET PROFIT

GHC 16.799M

POWER TRANSMISSION SYSTEM

GRIDCo transmitted a total of 12.93TWh across the network out of which there was a net energy consumption of 11.69TWh in the country. A total of 0.64TWh (653.69GWh) was exported to CEB of Togo and Benin, as well as Youga Mines and SONABEL of Burkina Faso.

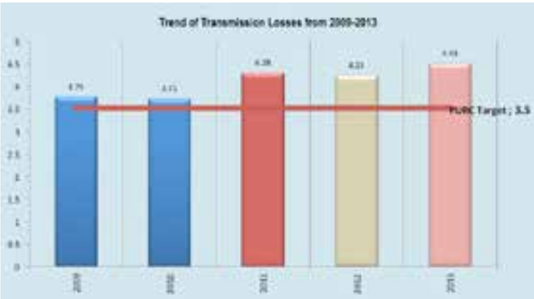
The total energy transmitted across the network represented 94.2% of the projected energy transmission of 13.72 TWh for the period. In 2012, total energy transmitted was 12.17 TWh, this grew by only 6.3% in 2013 as against the expected growth of 12.8%. The major reason for the slip in expected growth was as a result of the significant levels of energy which was shed in 2013 due to the insufficient generation due to forced outages, as well as the rapture and curtailment of natural gas flow from the West African Gas Pipeline.

Transmission losses recorded on the network in 2013 as a percentage of net generation averaged 4.49% compared to the 4.23% in 2012. This increase is attributed to inadequate generation resources which did not allow for optimized generation dispatch and low power factor (pf) of some customer loads.

On the demand side, the transmission system recorded a peak demand of 1,942.9MW on November 28, 2013, representing a 12.38% increase over the 2012 peak demand of 1,728.9MW.

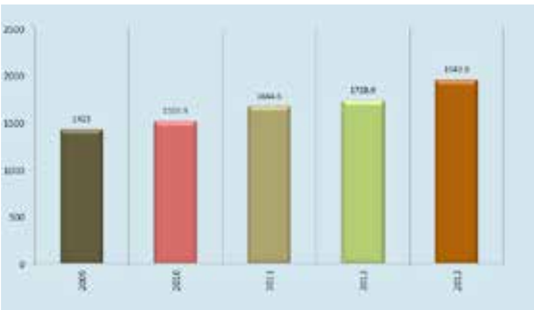
During the year under review, the Ghana Power System recorded one (1) system collapse and two-

TREND OF TRANSMISSION LOSSES FROM 2009 - 2013



hundred and eleven (211) Automatic Frequency Load Shedding (AFLS) relay operations as against the 2012 figure of forty- five (45. This was a result of generation constraints that left the network

SYSTEM PEAK FROM 2009 - 2013



with no spinning reserves due to forced outages on some generating plants and customers. It must be noted that the any AFLS operation is a potential system collapse.

SYSTEM MAINTENANCE

The system average availability in 2013 was 97.59%, which was above the regulated target of 95.0% set by PURC. The figure recorded in 2013 was however less than the 2012 figure of 98.67% due to planned outages granted on the transmission network to provide a safe working environment for system upgrades and maintenance works.

Although the injection of reactive power from shunt capacitor banks and the development of new power plants at Bui and Tema have improved peak voltages across the system, voltages at some nodes especially Kumasi and Tamale continue to record voltages below the acceptable limits during peak load times.

TREND OF SYSTEM AVERAGE AVAILABILITY FROM 2009-2013

PROJECTS

During 2013, the company completed a number of major engineering projects while the processes for the commencement of various projects were initiated across the network.

PEAK DEMAND

1,942.9MW

... we announced changes to the
Organizational Structure
in order to enhance operational efficiency and leverage the leadership within the company.

To ensure the evacuation of the power from the Bui Hydroelectric Power Plant and to also improve transmission of power to Kintampo and its environs, the Kintampo Substation Project was completed with a USD 50 Million US Exim facility. The company during the year also completed a state of the art System Control Centre (SCC) to improve supervisory control and data acquisition and ultimately facilitate economic dispatch of generating units.

Power supply reliability to the capital city, Accra, was improved with the installation of a new substation at Trasacco. The first phase of the Accra Third Bulk Supply Point (A3BSP) Project has been completed with the installation of two (2) 66MVA power transformers. The second phase of the project, which involves the installation of additional two (2) power transformers, is scheduled to be completed in the second quarter of 2015.

GRIDCo continues to pursue several initiatives to augment the Government's efforts at positioning Ghana as a net exporter of electricity in the sub region, consequently the 330kV Volta substation has been expanded to include a 330kV transmission line to serve as an alternative interconnection with Togo –Benin. A phase shifting transformer has also been installed at Asiekpe Substation to improve the power flow through the new Volta – Togo line and to also regulate the power flow from the existing interconnection line from Akosombo –Lome.

During the year, the loan agreement for a facility from AFD and World Bank for the construction of the 330kV Prestea-Kumasi-Bolgatanga Transmission project became effective. This project will reinforce the power system in Ghana and ensure power transfer to Burkina Faso and other Sahelian Countries. The contract for the provision of Project Management, Engineering and Construction Supervision Services for the 225 kV Bolgatanga-Ouagadougou Interconnection Project was also awarded.

GRIDCo, during the year under review commenced the Substations Reliability Enhancement Project (SREP) to enhance operational reliability, security and control among others. Going forward, this will enable the company to rid the National Interconnected Transmission System (NITS) of old and obsolete equipment. It will also increase transformer capacity and upgrade substation configuration at various substations such as Achimota, Winneba, Cape Coast, Takoradi, Prestea, Kumasi, Tafo, and Akwatia.

MANAGEMENT CHANGES

During the period under review, we announced changes to the Organizational Structure in order to enhance operational efficiency and leverage the leadership within the company. Consequently, Corporate Planning and the West African Power Pool (WAPP) Departments were created. The former will assist GRIDCo in formulating strategic plans and ensure that goals and objectives set at all levels are achieved. The WAPP department will serve as GRIDCo's executing arm for the carrying out WAPP Donor funded projects as well as coordinating WAPP related activities in the company.

NEW PERFORMANCE MANAGEMENT SYSTEM

The absence of a well-established standard performance management system and business processes framework to guide our operations has been impairing optimal service delivery. We therefore took the decision to implement a new performance management system that will drive stronger personal accountability and leadership among our staff. The performance management process will ensure that each employee's objectives are aligned with the broad corporate goal. Deliverables per staff to achieving the corporate goal will also be clearly stated to ensure that all actions taken will lead to the attainment of the overarching corporate goal. In 2014, we will continue with staff sensitization and education on this new appraisal system. A schedule will also be rolled out to ensure smooth implementation of this new performance system

TAKEOVER OF GENERATING STATION SUBSTATIONS

In accordance with the provisions of the Electricity Grid Code of Ghana – which stipulates that the grid encompasses power system facilities operating at voltages above 36kV, we developed a roadmap with the Volta River Authority (VRA) for a seamless transfer of operational and maintenance responsibility of generating substations in Aboadze, Kpong and Akosombo.

While we await the completion of the schedule for GRIDCo to take control of these facilities, we are training GRIDCo staff to work in the substations and establish the logistical requirement such as tools and equipment, real estate facilities for effective operations and maintenance of these substations.

OCCUPATIONAL HEALTH AND SAFETY

We started the training of substation operators and attendants in the use of fire prevention equipment and administration of Cardio-Pulmonary Resuscitation across the network. We have also completed a review of our corporate Safety Handbooks to reflect the organisational changes that were effected in 2011 and 2012, and also empower supervisors to be accountable for all safety related issues in their sections. We have also completed the preparation of Occupational Safety, Health and Environment Manual for contractors. We will ensure that all our contractors comply with the safety requirements of the manual.

CORPORATE SOCIAL RESPONSIBILITY

We continued with our targeted corporate social responsibility in the areas of health, education and research, supporting some medical students to undertake their overseas attachment to health institutions. We also supported numerous charities across the country to build on health and educational infrastructure that they had initiated for some communities.

HUMAN RESOURCE, INDUSTRIAL RELATIONS, TRAINING AND DEVELOPMENT.

During the year, 105 staff attended training programmes both in country and abroad to enhance their skills and to have a hands-on experience by working on various equipment that we had imported. Our staff strength grew to 834 at the close of 2013, a 6.79 per cent increase over the previous year's level.

While there are challenges ahead, we believe we are well positioned to tackle them.

TRANSMISSION SYSTEM OUTLOOK 2014

We believe the outlook for our electricity transmission business in the coming year is positive. While there are challenges ahead, we believe we are well positioned to tackle them. The projected Electricity Demand for the year 2014 is 2179.5 MW. This represents an increase of 236.6MW and a growth of 12.2 % over the 2013 actual peak which was 1942.9 MW.

The increase would primarily occur in the Mines, industrial, commercial, residential and new loads emanating from rural electrification projects.

Numerous rural electrification projects earmarked for commissioning in 2014 are anticipated to increase demand in both the ECG and NEDCo distribution systems. The projects include the SECO Project in the Central Region which is expected to increase demand by 5.3MW and energy 66.14GWh. The second major project is the Weldy Lamont Project in the Central, Western and Northern region expected to increase demand by 35.26MW and energy of 440.04GWh.

....

CHIEF EXECUTIVE

CORPORATE GOVERNANCE

GRIDCo's corporate governance framework outlines rules and practices by which the Board of Directors ensures accountability, fairness, and transparency in the company's relationship with its all stakeholders. It consists of procedures for proper supervision, control, and information-flows to serve as a system of checks-and-balances among others.

In order to steer the Company's performance towards long-term success and to establish a healthy relationship between the Shareholder and the Management, the Board of Directors of GRIDCo was set up when the Company became operational

The Members of the Board other than the Chief Executive are independent of the Company and this provides a balanced and objective view on Board matters, which are in the best interests of the organization. The Board employs different strategies to ensure that the confidence of potential investors is maintained so that the company can raise capital efficiently and effectively. These strategies also help to minimize waste, corruption, risks and mismanagement.

The Board works through Committees that continuously monitor and evaluate the strategies, performance, compliance and accountability of Management to the Shareholder and to other stakeholders of the Company. The Committees make full use of Board Members' expertise, time and commitment, and ensure diversity of opinions on the Board.

...will continue to be viable after commitments to these Facilities are made.

THE FINANCE AND AUDIT COMMITTEE

The Committee ensures that Management implements fundamental business processes which enable the Board and Management, access to timely, relevant and reliable financial and operational information.

Reports submitted to this Committee incorporate actual achievements, projected or budgeted targets and other performance indicators including strategic and business planning actions.

The Committee reviews funding facilities and their associated terms to ensure the Company will continue to be viable after commitments to these Facilities are made.

The Committee also ensures the preparation, review and signing of Performance Contracts with the State Enterprises Commission. The Committee's role in the control in financial processes through the company's rules and policies is essential for effective business.

THE COMPENSATION AND INDUSTRIAL RELATIONS COMMITTEE

This Committee considers issues related to Strategic Human Resource Planning. The Committee advises the Board which guides Management to recruit and retain suitably skilled and qualified personnel who need to achieve high levels of accountability, efficiency, good ethics, responsibility and fairness in all areas of the Company's operation.

To set the right tone for performance, the Committee is also ensuring the establishment of an improved robust and defensible performance management framework which will also enable regular assessment and continuous improvement of the Management and staff.

THE ENGINEERING AND OPERATIONS COMMITTEE

This Committee ensures that GRIDCo stays focused in the achievement of its primary mandate of transmission of electricity in a reliable and cost efficient manner. The Committee evaluates proposals for various projects and assesses the priority of each project in relation to its impact on the National Transmission Interconnected System. The projects undertaken also have to be consistent with the Company's Transmission Master Plan and the Government's vision for the energy sector.

MARKET OPERATIONS COMMITTEE

As part of its responsibilities, the Market Operations Committee provides broad oversight at the policy level on the setting up of the Wholesale Electricity Market in accordance with relevant legislation. The Committee also reviews Management submissions relating to requirements for market operations to the Regulator. This Committee will ensure that the most cost-effective way of handling power market operations are utilized.

GENERAL OPERATIONS

GENERAL OVERVIEW

The Company was focused and continued with the roll up of its strategies and investments to transform the transmission infrastructure into a robust and resilient network to evacuate power from all generating plants to the increasing load of customers across the system.

We increasingly saw the benefits from decentralizing our operations by the creation of two (2) additional Operational Areas and the corresponding split of the Power Network Operations Department into the Southern and Northern Network Departments. These decisions helped reduce the down time in addressing operational challenges in the network, enhanced supervision of work, and contributed immensely to accomplishing more system improvement, expansion and rehabilitation projects needed for continued and efficient service delivery to customers.

The completion of the state-of-the-art New Systems Control Centre enhanced our operational control and coverage of the National Interconnected Transmission System (NITS) comprising some 66 sub-stations and switchyards, as well as about 5,000 circuit kilometers of transmission lines across the country. Sub-stations at Ho, Kpeve, Ayanfuri, Kpandu and Yendi which were not previously monitored on a real-time basis, now have real time monitoring and control from the facility.

Additionally, the company completed and successfully brought into service the Smelter II Substation Project, Kintampo Substation and the first phase of the Accra Third Bulk Supply Point (A3BSP).

GRIDCo also commenced the Substation Reliability Enhancement Project (SREP), which involves the replacement of old and obsolete equipment, an increase in transformer capacity, an upgrade of substation configuration in key facilities across the network.

At the regional level, a number of efforts were also made during the year under review to augment the Government of Ghana's plans of making Ghana a net exporter of electricity.

SYSTEM MAINTENANCE

The GRIDCo network recorded an average availability of 97.59 % in 2013.This reflected a slight drop over the 2011 figure of 98.67% although it was above the performance target of 95.0% set by the Public Utilities Regulatory Commission (PURC). The decline in performance was among others attributable to numerous network upgrades and expansion projects which required outages to provide a safe working environment.it was also due to lines being taken off for load shedding, as a result of the short fall in generation experienced in the system.

Across the transmission network, we increased our operations and maintenance schedules on transmission lines, towers and substation equipment, alongside implementation of on-going installation and commissioning new equipment into the transmission infrastructure with a view to assure efficient service delivery.

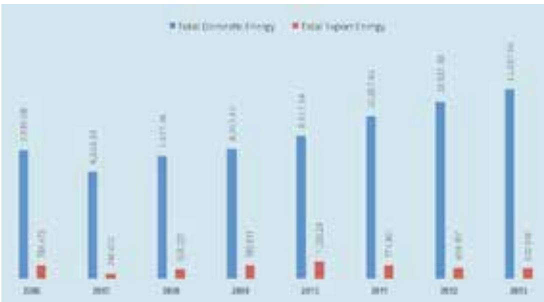
NETWORK RECORDED AN AVERAGE AVAILABILITY OF

97.59 % in 2013.

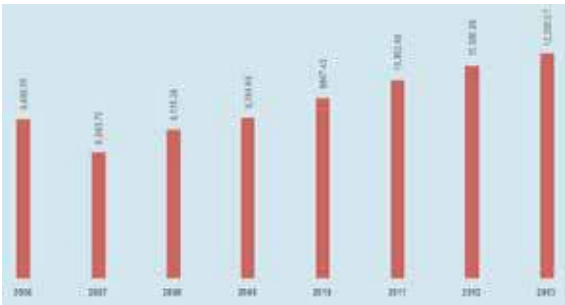
Key installation and commission of equipment into service included a new 50/66MVA Power Transformer to replace another that was burnt at the Achimota Substation during a rain storm. New 33MVA transformers were also installed at the Takoradi, Tarkwa, and Nkawkaw substations.

	2007	2008	2009	2010	2011	2012	2013
Total Domestic Energy	6,615.303	7,577.358	8,017.466	8,811.141	10,027.607	10,927.504	11,687.658
Total Export Energy	248.422	538.021	766.611	1,036.289	774.991	659.357	602.016
Total Energy Transmitted	**6,863.724**	**8,115.379**	**8,784.077**	**9,847. 430**	**10,802.598**	**11,586.861**	**12,289.674**

ENERGY TRANSMITTED DOMESTIC VS EXPORT 2006 - 2013



TREND OF TOTAL ENERGY TRANSMITTED FROM 2006 - 2013



New 33MVA transformers were also installed at the Takoradi, Tarkwa, and Nkawkaw substations.

GRIDCo assisted the Bui Power Authority and Sino Hydro, the contractor executing the Bui Hydroelectric Power Project to string various transmission lines including the Bui-Kintampo line to facilitate the early completion of both the hydroelectric plant and energization of the Kintampo Substation.

Within all our substations, we conducted planned and preventive thermo-vision (Infra-red) tests and inspection on various equipment and rectified hot spots. A number of defective cans on various capacitor banks, and compressor motors, non-return valves, timer relay and trip coils on a number of breakers were replaced. Alongside these, we re-calibrated power transformer, capacitor banks, lines and feeder protection relays on impedance reaches, minimum current pick-up levels as well as operating times in the substations. All OCBs and SF6 breaker compressor units at the substations were serviced.

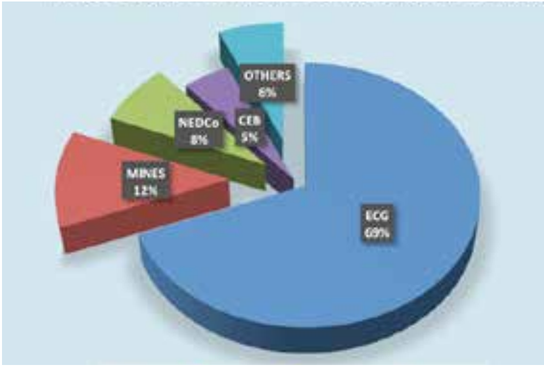
Additionally, annual transformer turns ratio, insulation resistance, capacitance and oil dielectric tests on power transformers, grounding transformers, station service transformers and shunt reactors in Techiman, Sunyani, Tamale, Bolgatanga, Yendi and Sawla substations, among others were conducted. Calibration of power transformer winding and oil temperature thermocouples, and overcurrent protection relays on some capacitor banks were done.

Annual re-calibration of billing meters on all in-coming and out-going feeders in substations across the network were completed, including one in Cinkasse in the Northern part of the Republic of Togo substations. Checked and serviced all OCBs and SF6 circuit breakers at Cape Coast, Volta, New Tema, A3BSP, Achimota and Mallam Substations.

Routine and preventive maintenance works were carried on all 125VDC and 48VDC battery banks and rectifiers in the Substations, and capability test conducted on the ones at the Esiama and Elubo Substations.

To improve security in the substations, GRIDCo replaced defective lamps, chokes and starters on lighting systems at various Substations, and new lightening systems were installed to improve upon illumination at Prestea 225kV, Bogoso and

TOTAL ENERGY TRANSMITTED TO CUSTOMERS IN 2013



other Substations. Our Line Maintenance Teams worked on their planned, preventive and conditional maintenance schedules, carrying out ground patrols along the right-of-way to check encroachments, vegetation control works and access road maintenance under the lines, surveying the towers for rust, defective insulators and auditing the general system, among others. Along most of the ROWs, we conducted tower footing resistance measurements and improved the earth resistance where necessary, by burying additional earth rods.

Tower stubs, previously spot-welded tower bolts and nuts and anti-theft fastener pins on various towers were treated with anti-rust proofing while faded nomenclature plates were re-stenciled.

Additionally, as part of the works for the take-off of the Substation Reliability and Enhancement Project (SREP) the Project Team reviewed schematics and control drawings for the various works to be carried out at Kumasi, Dunkwa and Obuasi Substations.

ENGINEERING PROJECTS

During the year we commenced and continued with a number of uncompleted projects, within the context of our corporate strategies and Five-year Investment Plan to expand and modernize the National Interconnected Transmission System (NITS) and provide the needed redundancy for efficient power transmission across the network.

2013 ELECTRICITY SUPPLY PLAN

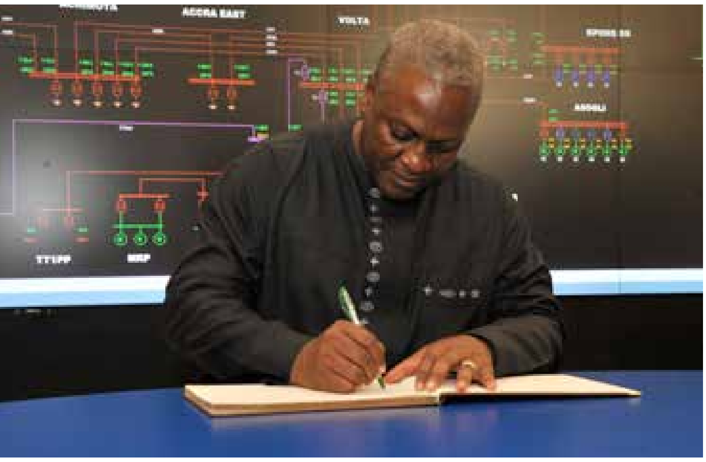
Every year we develop an Electricity Supply Plan to give stakeholders a snap shot of supply and demand balance for electric power based on the available power generation resources in the country, and any imports taking into consideration the challenges in the energy sector. The Plan analyzes the factors that could adversely affect the reliability of the generation sources and transmission network and presents measures to minimize the impact of the scenarios on the security and reliability of power delivery for 2013.

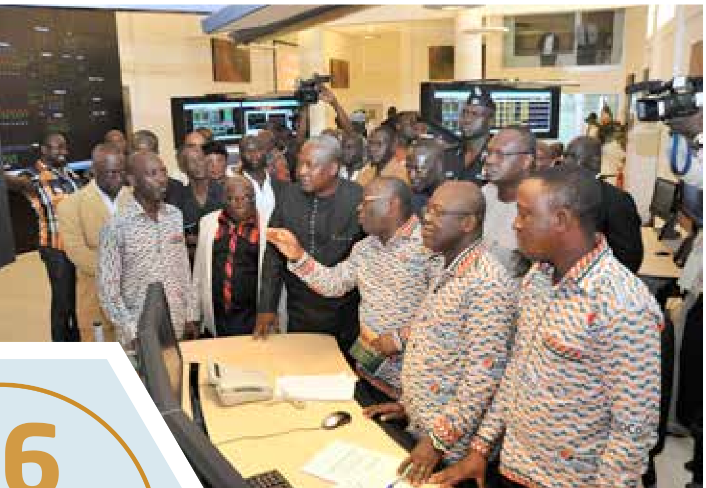
For the fourth successive year we have developed this Supply Plan and shared it with stakeholders. A short-term (2014 - 2016) energy and demand outlook was also presented. Expected new transmission network construction, installation and refurbishments to improve upon power supply reliability are also discussed in the document in order to assist market participants in their decision-making.

KINTAMPO SUBSTATION

The Kintampo substation is a two (2) transformer station on the existing 161kV Techiman-Buipe-Tamale transmission line. It has termination bays for the new line to the Bui Generating Station, and also for the existing lines to the Buipe and Techiman substations. There is also a Control Room with modern communication and supervisory control facilities linked to the System Control Center (SCC) at Tema. The substation, funded from a US EXIM facility

6
MV
TRASS
INSTAL





6
VA
SACCO
LATION

made available to GRIDCo by the Government, was developed to ensure the evacuation of power from the Bui Hydroelectric Power Plant and also improve transmission of power to Kintampo and its environs. The Kintampo Substation has been commissioned and it is in service.

NEW SYSTEM CONTROL CENTRE

The state-of-the-art System Control Centre to improve supervisory control and data acquisition system enables GRIDCo to perform economic dispatch of generating units. The project was sponsored by the West African Power Pool (WAPP) and was financed by the World Bank at a cost of about US$18 million. It was developed and constructed over a period of 24 months.

ACCRA THIRD BULK SUPPLY POINT (A3BSP)

The first phase of the construction of the new substation near Trassacco Valley involving the installation of two(2) 66 MVA transformers and balance of plant to improve the reliability of power supply to Accra/Tema has been completed and commissioned. During the year under review, the contract for the substation for the installation of two (2) additional transformers and balance of plant to develop the existing substation to its full transformer capacity was also signed in August, 2013. Works under the second phase are expected to commence in January 2014 and completed by June 2015.

AKYEM POWER PROJECT

The objective was to supply power to Newmont Gold Ghana Limited at its new mining concession at Abirem in the Eastern Region and also provide additional transformer capacity to meet single transformer contingency at Nkawkaw Substation. The project involved the expansion of the Nkawkaw substation by reconfiguring the substation into a breaker and half busbar to increase the reliability and security of supply at Nkawkaw. Telecontrol

2013 MONTHLY ENERGY TRANSMITTED IN GWH

CUSTOMERS	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
E C G	733.231	647.205	700.803	715.185	731.542	673.439	678.774	687.361	686.738	735.393	739.291	748.965	8,477.926
MINES	116.551	106.438	123.732	111.085	117.432	114.957	117.864	125.163	123.843	137.005	130.502	133.486	1,458.059
S. ASOGLI PLANT	0.625	0.551	0.641	0.633	0.651	0.648	0.285	0.004	0.000	0.000	0.000	0.008	4.046
ATL	0.962	1.035	1.018	0.808	0.434	0.829	0.803	0.689	0.773	0.989	0.979	0.458	9.776
VRA TOWNSHIPS (AK'BO,AKUSE, ETC)	3.888	3.667	4.187	4.206	4.007	3.991	3.901	4.014	3.861	3.773	4.076	4.228	47.798
ALUWORKS	0.562	0.612	0.783	0.802	0.789	0.779	0.735	0.682	0.651	0.720	0.736	0.825	8.677
EPZ	1.069	1.102	1.178	1.044	1.212	1.192	1.271	1.305	1.369	1.385	1.368	1.311	14.805
ENCLAVE POWER COMPANY	3.517	3.012	3.410	3.457	3.860	3.614	4.182	4.620	4.751	4.331	4.610	4.373	47.736
DIAMOND CEMENT	4.569	4.254	4.639	4.422	4.422	4.569	4.004	0.000	0.000	0.000	0.000	0.000	30.879
SAVANA DIAMOND CEMENT	0.605	0.613	0.821	0.768	0.558	0.542	0.601	0.645	0.767	1.068	1.575	1.973	10.538
NED	75.078	69.727	82.487	80.930	83.028	77.597	76.076	76.330	73.949	80.469	82.279	78.721	936.671
TV 3	0.010	0.008	0.010	0.009	0.010	0.010	0.009	0.010	0.008	0.010	0.010	0.010	0.115
VODAFONE (NCBC)	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.002	0.046
VALCO	44.478	43.658	51.120	47.029	48.869	48.002	49.992	50.334	49.395	52.502	50.760	52.036	588.175
TOTAL DOMESTIC TRANSMISSION	985.150	881.886	974.832	970.381	996.818	930.172	938.502	951.161	946.109	1,017.649	1,016.191	1,026.395	11,635.246
EXPORTS TRANSMITTED													
CEB (FROM VRA)	48.994	22.251	37.516	28.697	31.064	40.405	41.669	37.995	44.044	44.991	51.499	52.827	481.952
CEB (WHEELED)	8.220	14.322	10.612	14.492	11.427	5.436	4.186	5.020	5.678	4.172	4.616	5.779	93.958
SONABEL	1.119	0.666	1.034	0.988	0.862	0.826	0.747	0.719	0.765	0.854	0.870	0.857	10.308
SONABEL (YOUGA MINES)	3.084	2.516	2.862	2.572	3.345	3.502	3.376	3.588	2.804	3.494	3.368	3.543	38.053
TOTAL EXPORT TRANSMITTED	61.417	39.755	52.025	46.749	46.698	50.169	49.978	47.321	53.291	53.510	60.352	63.006	624.271
EXPORT - OTHER													
INADVERTENT EXPORT TO CIE	0.508	0.331	0.426	0.811	0.793	1.004	3.643	3.522	2.054	3.168	2.840	0.000	19.100
EXPORT TO CIE	0.000	0.000	0.000	0.000	0.560	0.000	5.718	36.095	23.183	8.100	1.550	28.008	103.213
TOTAL - OTHER	0.508	0.331	0.426	0.811	1.353	1.004	9.361	39.617	25.237	11.268	4.390	28.008	122.313

(SCADA), teleprotection and telephone facilities using the existing OPGW were also provided at the susbation under this project.

EXPANSION OF 330 kV VOLTA AND 161 kV ASIEKPE SUBSTATIONS

The expansion of the 330 kV Volta Substation in Tema (Ghana) funded by the World Bank/IDA for the take-off of the 330 kV Volta –Tornu Transmission line (Ghana section of the Ghana-Togo-Benin Interconnection funded by the African Development Bank) and the 161 kV Substation at Asiekpe also funded by the World Bank were completed in June 2013 with the installation of relevant Switchgear and a 330 kV Reactor (at Tema) and 161 kV Phase Shifting Transformer (at Asiekpe).

The installation of the 161 kV Phase Shifting Transformer and 330/161 kV Reactor were to ensure efficient and reliable operation of the 330 kV Volta-Tornu Transmission line to meet the Objectives of the West African Power Pool (WAPP).

330kV ABOADZE-PRESTEA-KUMASI AND 161kV TUMU - HAN - WA TRANSMISSION LINE - FEASIBILITY STUDY

During the year, the Engineering consultant, SNC Lavalin of Canada completed Feasibility Study, Engineering, Line Route Survey including the preparation of bidding documents for 330 kV Aboadze-Prestea-Kumasi-Han and 161 kV Tumu-Han-Wa Transmission Systems. The total Cost for the execution of the assignment on completion was CAD 1,695,453.82

330 kV WAPP COASTAL TRANSMISSION BACKBONE PROJECT

Under this Project funded by the World Bank, the Electromechanical Protection and Control equipment at the Volta (Tema), Kpong and Akosombo Switchyards have been replaced with modern ones to upgrade the switchyards. The 330 kV Volta substation has been expanded to include one 330 kV line to serve as alternative interconnection with Togo - Benin. In line with this project, the Asiekpe Substation has been expanded to include one phase shifting transformer to regulate the power flow from the existing interconnection line from Akosombo – Lome and improve the power flow through` the new Volta – Togo line. Work on the Volta-Tornu line, funded by African Development Bank (AfDB), is still in progress and over 80% completed. The works are expected to be completed by June 2014 to offer an alternative path for power transfer with Togo/Benin and Nigeria.

UPGRADE OF ELECTROMECHANICAL EQUIPMENT AT AKOSOMBO G.S. SWITCHYARD AND VOLTA SWITCHING STATION

This package involved the design, manufacture, testing, erection and commissioning of 161 kV electromechanical equipment including but not limited to circuit breakers, disconnect switches, protection and control facilities to replace existing over aged and obsolete ones to upgrade the facilities at the 161 kV Volta Switching Station in Tema and the Akosombo Generating Station Switchyard to ensure the reliability of power supply into the WAPP and also in the Accra Tema Metropolis. The total Project Cost was US$ 17,692,511.15 The works were executed by China National Electric Wire and Cable Import/Export Corporation of China.

GHANA-TOGO-BENIN INTERCONNECTION

This project seeks to increase transmission capacity between Nigeria, Benin, Togo and Ghana for trading of electricity which will improve reliability of supply, reduce production costs and during drought periods, meet shortfall in output of hydropower stations.

Construction of the 330 kV Volta-Tornu Transmission Line (Ghana section of the Ghana-Togo-Benin Interconnection) funded by the African Development Bank is in progress and overall completion was about 80%. The construction of the line is expected to be completed by June 2014. The estimated project cost of USD 17,874,823.67 plus GHS 5,607,858.55.

SMELTER II SUBSTATION PROJECT

The Smelter II substation is being constructed near the New Tema Substation at a cost of US$ 22 million. The project which is expected to be completed during the 1st quarter of 2014 will facilitate power evacuation from the new power plants being developed in the Tema area – Sunon Asogli I and II, VRA's TT1PP, TT2PP, CENIT Power Plant etc, and also provide additional transformer capacity (2 x 66MVA) for ECG at Tema to increase reliability of supply to Tema.

SUNYANI – MIM UPGRADE (MIM SUBSTATION PROJECT)

In order to enhance power delivery to Mim and its environs, the project seeks to construct a 161/34.5 kV, 2 x 33MVA transformer substation at Mim and the termination of the Sunyani end of the line at 161kV. The US$15 million project funded from a US Exim Bank facility is in progress and also includes the provision of communication and SCADA system at the Mim substation and the upgrade of the SCADA and communication systems at the Sunyani substation.

KPANDU – KADJEBI POWER PROJECT

This project seeks to extend the high voltage network beyond Kpandu with the construction of a 90km 161 kV line to Kadjebi and the provision of a 69/34.5 kV substation at Kadjebi. The line would be constructed at 161kV but initially operated at 69 kV. Environmental Impact Assessment and Valuation of Properties along the line route activities are in progress.

REPLACEMENT OF OBSOLETE MEDIUM VOLTAGE INDOOR SWITCHGEAR

This project involves the replacement of obsolete switchgears located in Sunyani, Techiman, Tamale and Bolgatanga which were installed in the early 1990's.

The US$17 million project has been awarded to Schnieder of Germany with Atlantic International Holding as local agents, with funding provided by Bank of Africa.

TUMU – HAN – WA TRANSMISSION PROJECT

This project serves to close the "Northern Loop" between Tumu and Wa to improve upon the reliability of supply to the Northern, Upper East, Upper West regions of Ghana. It would facilitate the evacuation of power from the Bui Hydro-electric Plant , improve quality of the existing medium voltage supplies to Dapaong and Cinkasse in Togo and Po and Leo in Burkina Faso and facilitate the export of power on the proposed Bolgatanga-Ouagadougou 225 kV interconnection. The project is funded by Societe General and GRIDCo at a cost of US$50.0million and scheduled for completion in 2014.

SUPPLY IMPROVEMENT TO WESTERN REGION

This project seeks to extend the 161 kV grid to the Western Region to facilitate power distribution to a section of the region which is "too" distant from any high voltage system and meet the requirements of the on-going various rural electrification projects.

The project therefore entails the construction of a 161 kV transmission line from Mim to Juabeso (90km); Juabeso to Asawinso (80), a new substation at Juabeso and extensions to substations at Mim and Asawinso.

Statutory works, including detailed line route substation, environmental impact assessment, properties valuation etc. have commenced. Detailed engineering designs are also in progress.

PRESTEA-BOGOSO TRANSMISSION LINE REINFORCEMENT PROJECT

This project involves the decommissioning of the 13 kilometres 161kV Prestea – Bogoso transmission line and to upgrade the line conductors from the current thermal capacity of 170 MVA to 364 MVA. It is expected to be restored to service by the second quarter of 2014.

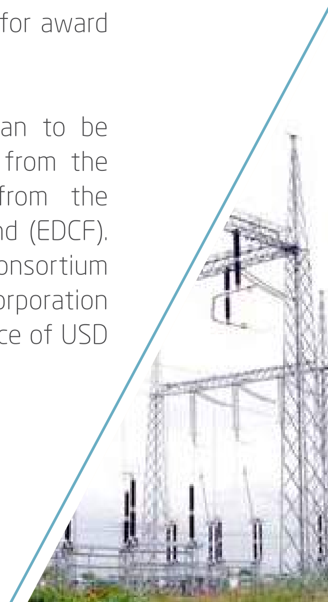
330kV PRESTEA-KUMASI POWER ENHANCEMENT PROJECT

The project seeks to improve the capacity and reliability of the transmission network in the western corridor of the grid to evacuate the large amount of generation capacity to be developed by the Power Producers at Aboadze. The project also seeks to facilitate the transmission of power to Burkina Faso and Mali.

The Project scope includes the construction of 185km of 330kV transmission line from Prestea to Kumasi and a Smart Grid Direct Load Control (DLC) Pilot system.

During the year under review all the pre-contract activities were undertaken, which included the evaluation of bids and recommendation for award of Contract.

The Project would be funded by a loan to be secured by the Government of Ghana from the Republic of Korea (with resources from the Economic Development Cooperation Fund (EDCF). The Project would be undertaken by a consortium of GS Engineering & Construction Corporation and Samsung C&T at a total Contract Price of USD 58.15million.



SUBSTATIONS RELIABILITY ENHANCEMENT PROJECTS (SREP)

GRIDCo also commenced the Substations Reliability Enhancement Project (SREP) which serves as a continuation of the Substation Upgrade Project which was initiated in 2006.The project seeks to upgrade and enhance the operational reliability of equipment at the Bulk Supply Points (BSPs) by replacing identified obsolete and faulty components of the transmission network, at various substations, that are contributing to unreliable and low power quality in the power network. The project also seeks to improve upon the flexibility in the operation of the power system and maintenance of power equipment.

Forclum Energies Services Limited is implementing the project at a cost of €31,762,217.00 and GHS10,218,312.00. The Ghana Grid Company Ltd. is financing the project with US$ 45million secured through a loan agreement with Societe Generale of France. The works at Achimota and a few of the stations will be completed in 2014 while the others will run into 2016.

34.5kV AND 11kV SWITCHGEAR UPGRADE PROJECT

The Ghana Grid Company intends to replace the obsolete medium voltage metal clad switchgear in the NED operational areas mainly, Sunyani, Techiman, Tamale and Bolgatanga Substations which have been in service for over twenty (20) years. This is to improve on the reliability of supply to customers since replacement parts for faulty components of the existing switchgear are virtually impossible to obtain. Funding for the project would be from a Suppliers Credit Facility at an estimated cost of 11.5 million Euros.

TAMALE VOLTAGE IMPROVEMENT PROJECT

This project which involves the installation of a Static Var Compensator at a cost of US$18 million, will enhance voltages in Tamale and its environs. The voltage supplied to this location has traditionally been unstable due to voltage fluctuations as a result of the distance to the power generating units in the south. The commissioning of the Bui hydro plant has improved the situation since the plant came into operation. This project however is aimed at regulating and stabilizing the supply voltage at all times and will be completed by first quarter 2014.

KPANDU – KADJEBI UPGRADE

The Ghana Grid Company intends to improve on the reliability of power supply to Electricity Company of Ghana (ECG) for northern parts of the Volta Region by extending the 69kV supply from existing Kpando Substation to Kadjebi and the construction of a new 69/34.5kV substation at Kadjebi. The scope of the project will include the expansion of existing Kpando substation to install terminal equipment for the existing Kpando Incomer and also to install terminal equipment for the new Kadjebi outgoing feeder complete. The Contract for the project was awarded to CG Holdings of Belgium. The project is being financed as a Credit Agreement between the Government of Ghana (GoG) and KBC Bank NV, Belgium.

KPONE SUBSTATION PROJECT

The Ghana Grid Company (GRIDCo) intends to construct a 161kV Switching Station of the breaker-and-half bus arrangement ultimately for 6 diameters at Tema as part of the critical power system projects to facilitate the evacuation of power from the Kpone (Alstom) Thermal Power Project. The implementation of this project is on a critical path, since any further delay in its implementation could result in GRIDCo's inability to evacuate power from the Kpone Thermal Plant currently under construction by VRA. The project is to be funded by International Finance Corporation (IFC).

225kV BOLGATANGA-OUAGADOUGOU INTERCONNECTION PROJECT

The Bolgatanga (Ghana)-Ouagadougou (Burkina Faso) Interconnection Project is a WAPP priority project and forms the first phase 1 of the Inter-Zonal Transmission Hub Project which seeks to improve security of electricity supply to Burkina Faso through avoided diesel and fuel – oil based generation. The Ghana section of interconnection from the Bolgatanga Substation to the Ghana-Burkina Faso Border (Paga) is 40 km. A 225/161 kV substation will be constructed in Bolgatanga for the termination of the interconnection in Ghana. The Ghana side of the interconnection (Line and Substation) is co-funded by the World Bank (WAPP 3) and the Agence Francaise Development.

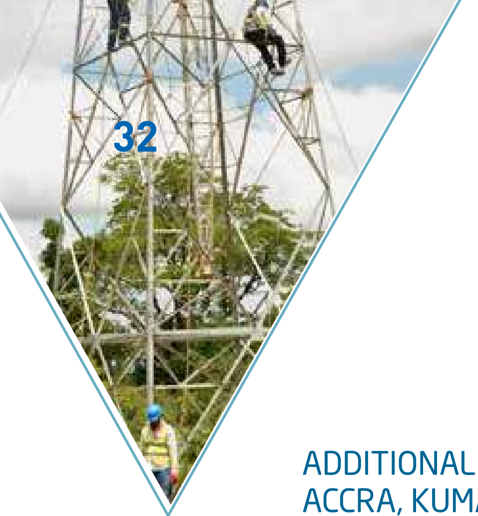
The Contract for the provision of Project Management, Engineering and Construction Supervision Services for the 225 kV Bolgatanga-Ouagadougou Interconnection was awarded and the prequalification of potential firm to bid for the Bolgatanga-Ouagadougou interconnection project is expected to be undertaken in the 1st quarter of 2014. The contracts for the execution of the

substation and line are expected to be awarded by the 4th quarter of 2014 for construction works to commence in early 2015.

330kV KUMASI- BOLGATANGA TRANSMISSION LINE PROJECT

The 330 kV Reinforcement Project from Kumasi - Bolgatanga will form part of the interzonal Hub and will reinforce the Ghana Transmission System and also ensure the export of at least 100 MW of power to Burkina Faso and increase the reliability of the Ghana-Burkina Faso Interconnection as well as power supply to the Sahelian Region. The Project is being funded by the AFD and the loan became effective in 2013. The scope of the project will include the extension of the proposed 330 kV Substation at Kumasi for the take - off of the 330 kV line to Kintampo and the construction of new 330 kV Substations at Kintampo, Tamale and Bolgatanga including provision of relevant autotransformers and reactors.

The prequalification process for potential bidders and the process for the selection of the Project Consultant were initiated during the period under review. The Project Consultant would be selected in the first half of 2014. Bids for the Works would be called and the contract awarded by the third quarter of 2014.



ADDITIONAL SUBSTATIONS FOR ACCRA, KUMASI AND TAKORADI

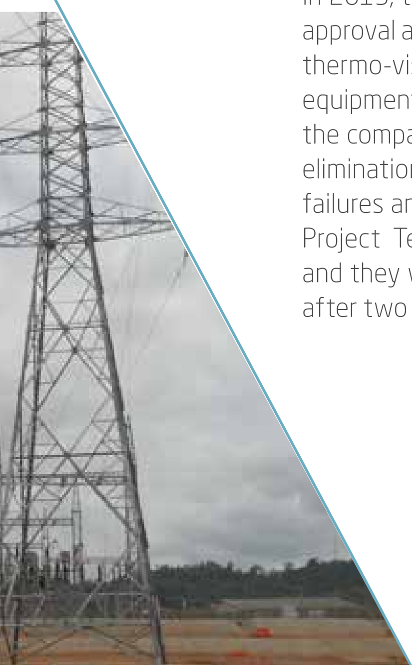
GRIDCo is at various stages of implementing the development of a number of additional substations in the three (3) largest cities in Ghana to support the high load growth rate and also improve upon the reliability of supply by diversifying bulk supply point locations.
These are:

- Accra 4TH BSP to be located on the Aboadze – Volta 330kV line at Pokoase to serve loads towards Nsawam
- Kasoa substation – to be located at Kasoa to serve mainly Kasoa and Winneba areas
- Afienya substation – to serve Afienya, Dodowa, Ada etc.
- Kumasi 3BSP – located in the north of Kumasi
- Takoradi 2BSP – located in the West of Takoradi to serve upcoming oil industries.

Technical Specifications, Preliminary Designs have been carried out for these projects but funding is yet to be secured for all these projects.

THERMO-VISION INSPECTION

In 2013, the Public Procurement Authority (PPA) approval a request for SKF of France to undertake thermo-vision inspection in all GRIDCo Substations equipment for a two year period. This will help the company identify "hot–spots", and assure the elimination of these to prevent any catastrophic failures and help reduce system losses. A GRIDCo Project Team has accordingly been established and they will be trained to take full responsibility after two years.



TRANSMISSION LINE AUDIT

We commenced a system-wide Transmission Line Audit in the coastal and highly polluted areas, to establish the state of towers, line hardware, insulators, tower foundations and Right-of-Way (ROW). Data collected during this programme will be used to establish the state of the ROW and access roads, tower civil works rehabilitation requirements, extent of rust of transmission line metal components, evaluate the economy of another transmission rehabilitation project versus other options such as complete line replacement from 2014. This Audit will also establish a roadmap for the replacement of "over-rusted" 330kV towers close to the Aboadze Thermal Power Plant.

AUDITED FINANCIAL
STATEMENTS

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 2013.

1. The principal activity of the Company is transmission of electricity.
2. The summary of performance

	GH¢'000
The balance brought forward on income surplus account at 1 January 2013 was	**438,976**
To which must be added:	
Profit after taxation	**16,799**
Transfer from capital surplus	**35,565**

The balance to be carried forward on the income surplus account at 31 December 2013 therefore amounts to	**491,340**
	========

3. The Directors do not recommend the payment of dividend for the year 31 December 2013 (2012: Nil).
4. The auditors Deloitte & Touche will cease to be auditors of the company in accordance with Section 134 (5) of the Companies Code, 1963 (Act 179) at the next Annual General Meeting.
5. The financial statement were approved by the Board of Directors on July 17, 2014.

By order of the board

Alhaji Huudu Yahaya
Board Chairman

Ing. William Amuna
Chief Executive

GHANA GRID COMPANY LIMITED

STATEMENT OF THE 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 or 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 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 38 to 74.

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Deloitte.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GHANA GRID COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Ghana Grid Company Limited, as at 31 December, 2013, set out on pages 38 to 74 which have been prepared on the basis of the significant accounting policies on pages 44 to 55 and other explanatory notes on pages 56 to 74.

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) and the International Financial Reporting Standards (IFRS). 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.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2013, 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, issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Code, 1963 (Act 179).

REPORT ON OTHER LEGAL REQUIREMENTS

The 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 statement of financial position and statement of profit or loss and other comprehensive income of the company are in agreement with the books of accounts.

Chartered Accountants
Accra, Ghana
Licence No. ICAG/F/129

29th July, 2014

Andrew Opuni-Ampong
Practising Certificate:
Licence No. ICAG/P/1132

GHANA GRID COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	2013 GH¢'000	2012 GH¢'000
Revenue	3	**303,236**	271,751
Direct costs	4	**(185,530)**	(168,920)
		------------	------------
Gross profit		**117,706**	102,831
Other income	5	**1,863**	1,419
Administrative expenses	6	**(52,494)**	(38,964)
		------------	------------
Operating profit		**67,075**	65,286
Finance costs	7	**(20,953)**	(7,171)
Finance income	8	**6,200**	6,375
		------------	------------
Profit before taxation		**52,322**	64,490
Taxation	9 (ii)	**(35,523)**	(57,451)
		------------	------------
Profit after taxation		**16,799**	7,039
Other comprehensive income			
Items that may not be reclassified subsequently to profit or loss Revaluation surplus on PPE, net of tax		**161,640**	615,337
		------------	------------
Total comprehensive income		**178,439**	622,376
		=======	=======

The notes on pages 44 - 74 form an integral part of these accounts

GHANA GRID COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	2013 GH¢'000	2012 GH¢'000
Assets			
Non-current assets			
Intangible assets	10 (a)	**65**	170
Property, plant & equipment	10 (b)	**1,622,881**	1,316,775
Loans and receivables	11	**9,576**	7,011
Total non-current assets		**1,632,522**	1,323,956
Current assets			
Inventories	12	**9,677**	8,941
Trade and other receivables	13	**239,885**	152,229
Cash and short-term deposits	14	**122,260**	86,964
Total current assets		**371,822**	248,134
Total assets		**2,004,344**	1,572,090
Equity & liabilities			
Equity attributable to equity holders			
Stated capital	15	**350,922**	350,922
Income surplus		**491,340**	438,976
Capital surplus		**458,622**	348,182
Total equity		**1,300,884**	1,138,080

GHANA GRID COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION - CONTINUED

As at 31 December 2013

	Note	2013 GH¢'000	2012 GH¢'000
Non-current liabilities			
Deferred tax liability	9 (iv)	**261,242**	232,055
Interest-bearing loans and borrowings	16	**304,391**	134,754
		--------------	------------
Total non-current liabilities		**565,633**	366,809
		--------------	------------
Current liabilities			
Trade and other payables	17	**70,082**	24,840
Taxation	9	**38,185**	16,214
Interest-bearing loans and borrowings	16	**27,326**	26,147
Overdraft		**2,234**	-
		--------------	------------
Total current liabilities		**137,827**	67,201
		--------------	------------
Total liabilities		**703,460**	434,010
		--------------	------------
Total equity and liabilities		**2,004,344**	1,572,090
		========	========

Alhaji Huudu Yahaya
Board Chairman

Ing. William Amuna
Chief Executive

The notes on pages 44 - 74 form an integral part of these accounts

GHANA GRID COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Stated capital GH¢'000	Income Surplus account GH¢'000	Capital surplus GH¢'000	Total GH¢'000
Balance at 1 January 2013	350,922	438,976	348,182	1,138,080
GOG loans converted to equity	-	-	-	-
Total comprehensive income	-	16,799	161,640	178,439
Transfer from capital surplus	-	35,565	(35,565)	-
Deferred tax	-	-	(15,635)	(15,635)
Balance at 31 December 2013	**350,922**	**491,340**	**458,622**	**1,300,884**
Balance at 1 January 2012	252,036	211,162	144,438	607,636
GOG loans converted to equity	98,886	-	-	98,886
Total comprehensive income	-	7,039	615,337	622,376
Transfer from capital surplus	-	220,775	(220,775)	-
Deferred tax	-	-	(190,818)	(190,818)
Balance at 31 December 2012	350,922	438,976	348,182	1,138,080

GHANA GRID COMPANY LIMITED

STATEMENT OF CASH FLOW
For the year ended 31 December 2013

		2013 GH¢'000	2012 GH¢'000
Operating activities			
Profit before tax		**52,322**	64,490
Adjustment to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation and impairment of property, plant & equipment		**53,026**	51,777
Exchange difference on loans		**40,363**	-
Profit on sale of assets		**581**	(164)
Interest paid		**7,791**	6,626
Interest received		**(6,200)**	(6,375)
Working capital adjustments:			
(Increase)/decrease in inventories		**(736)**	2,653
(Increase) in trade and other receivables		**(87,656)**	(10,312)
Increase/(decrease) in trade and other payables		**45,242**	(39,754)
Net cash generated from operating activities		**104,733**	68,941
Investing activities			
Proceeds from sale of assets	10c	**1,988**	183
Purchase of property, plant and equipment	10b	**(199,958)**	(138,907)
Increase in loans and receivables		**(2,563)**	(440)
Interest received		**6,200**	6,375
Net cash used in investing activities		**(194,333)**	(132,789)

GHANA GRID COMPANY LIMITED

STATEMENT OF CASH FLOW - CONTINUED
For the year ended 31 December 2013

	2013 GH¢'000	2012 GH¢'000
Financing activities		
Loan drawdown	**167,239**	95,568
Loan repayments	**(36,786)**	(21,841)
Interest paid	**(7,791)**	(6,626)
Overdraft	**2,234**	-
	------------	-------------
Net cash generated from financing activities	**124,896**	67,101
	------------	-------------
Net increase in cash and cash equivalents	**35,296**	3,253
Cash and cash equivalents at 1 January	**86,964**	83,711
	------------	-------------
Cash and cash equivalents at 31 December	**122,260**	86,964
	========	========

SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

The financial statements of Ghana Grid Company Limited (GRIDCo) for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on July 17, 2014. The Company is incorporated and domiciled in Ghana. The registered office is located off the Tema Aflao Road, near Tema Steel Works. P. O. Box CS7979, Tema.

2.1 Basis of preparation

The financial statements have been prepared on the 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) as issued 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 judgment, 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 judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.4 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

2.4 Significant accounting judgements, estimates and assumptions - Continued

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.

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 Statement of comprehensive income net of any reimbursement.

2.5 (a) Standards, amendments and interpretations effective in the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period:

IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013)

IFRS 10 "Consolidated Financial Statements" published by IASB on 12 May 2011. IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns.

IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013)

IFRS 11 "Joint Arrangements" published by IASB on 12 May 2011. IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

2.5 (a) Standards and Interpretations effective in the current period - continued

IFRS 12 "Disclosures of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2013)
IFRS 12 "Disclosures of Interests in Other Entities" published by IASB on 12 May 2011. IFRS 12 will require enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities.

IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013)
IFRS 13 "Fair Value Measurement" published by IASB on 12 May 2011. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IAS 27 (revised in 2011) "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013)
IAS 27 "Separate Financial Statements" (revised in 2011) published by IASB on 12 May 2011. The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013)
IAS 28 "Investments in Associates and Joint Ventures" (revised in 2011) published by IASB on 12 May 2011. IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

Amendments to IFRS 1 "First-time Adoption of IFRS" – Government Loans (effective for annual periods beginning on or after 1 January 2013)
Amendments to IFRS 1 "First-time Adoption of IFRS" – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters published by IASB on 20 December 2010. The first amendment replaces references to a fixed date of "1 January 2004" with "the date of transition to IFRSs", thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

2.5 (a) Standards and Interpretations effective in the current period - continued

Amendments to IFRS 7 "Financial Instruments: Disclosures" – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013

Amendments to IFRS 7 "Financial Instruments: Disclosures" – Offsetting Financial Assets and Financial Liabilities published by IASB on 16 December 2011. The amendments require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities" – Transition Guidance (effective for annual periods beginning on or after 1 January 2013)

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities" – Transition Guidance published by IASB on 28 June 2012. The amendments are intended to provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, by "limiting the requirement to provide adjusted comparative information to only the preceding comparative period". Also, amendments were made to IFRS 11 and IFRS 12 to eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IAS 1 "Presentation of financial statements" – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012).

Amendments to IAS 1 "Presentation of financial statements" – Presentation of Items of Other Comprehensive Income published by IASB on 16 June 2011. The amendments require companies preparing financial statements in accordance with IFRSs to group together items within OCI that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

Amendments to IAS 19 "Employee Benefits" – Improvements to the Accounting for Post-employment Benefits (effective for annual periods beginning on or after 1 January 2013).

Amendments to IAS 19 "Employee Benefits" – Improvements to the Accounting for Post-employment Benefits published by IASB on 16 June 2011. The amendments make important improvements by: (1) eliminating an option to defer the recognition of gains and losses, known as the "corridor method", improving comparability and faithfulness of presentation; (2) streamlining the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income, thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations; (3) enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

2.5 (a) Standards and Interpretations effective in the current period - continued

Amendments to various standards "Improvements to IFRSs (cycle 2009-2011)" resulting from the annual improvement project of IFRS (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2013)
Amendments to various standards "Improvements to IFRSs (cycle 2009-2011)" published by IASB on 17 May 2012. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. The most important changes include new or revised requirements regarding: (i) Repeated application of IFRS 1, (ii) Borrowing costs under IFRS 1, (iii) Clarification of the requirements for comparative information, (iv) classification of servicing equipment, (v) tax effect of distribution to holders of equity instruments, (vi) Interim financial reporting and segment information for total assets and liabilities.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after 1 January 2013)
IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" published by IASB on 19 October 2011. The interpretation states that costs associated with a "stripping activity" should be accounted for as an addition to, or an enhancement of, an existing asset, and that this component should be amortised over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity (using the units of production method unless another method is more appropriate).

The adoption of these amendments to the existing standards and interpretations has not led to any changes in the company's accounting policies.

2.5 (b) Standards, amendments and interpretations in issue not yet adopted
At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective:

IFRS 9 "Financial Instruments" and subsequent amendments (effective date was not yet determined)
IFRS 9 "Financial Instruments" published by IASB on 12 November 2009. On 28 October 2010 IASB reissued IFRS 9, incorporating new requirements on accounting for financial liabilities and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities. On 19 November 2013 IASB issued another package of amendments to the accounting requirements for financial instruments. Standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in IAS 39.

2.5 (b) Standards, amendments and interpretations in issue not yet adopted - continued

The new requirements on accounting for financial liabilities address the problem of volatility in profit or loss arising from an issuer choosing to measure its own debt at fair value. The IASB decided to maintain the existing amortised cost measurement for most liabilities, limiting change to that required to address the own credit problem. With the new requirements, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income section of the income statement, rather than within profit or loss. The amendments from November 2013 bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. It allows the changes to address the so-called 'own credit' issue that were already included in IFRS 9 Financial Instruments to be applied in isolation without the need to change any other accounting for financial instruments. It also removes the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

IFRS 9 "Financial Instruments" and subsequent amendments (effective date was not yet determined)

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Mandatory Effective Date and Transition Disclosures published by IASB on 16 December 2011. Amendments defer the mandatory effective date from 1 January 2013 to 1 January 2015. The amendments also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. This relief was originally only available to companies that chose to apply IFRS 9 prior to 2012. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 "Separate Financial Statements" – Investment Entities (effective for annual periods beginning on or after 1 January 2014)

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 "Separate Financial Statements" – Investment Entities published by IASB on 31 October 2012. The amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)

Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions published by IASB on 21 November 2013. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee

2.5 (b) Standards, amendments and interpretations in issue not yet adopted - continued

service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendments to IAS 32 "Financial instruments: presentation" – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)
Amendments to IAS 32 "Financial instruments: presentation" – Offsetting Financial Assets and Financial Liabilities published by IASB on 16 December 2011. Amendments provide clarifications on the application of the offsetting rules and focus on four main areas (a) the meaning of "currently has a legally enforceable right of set-off"; (b) the application of simultaneous realisation and settlement; (c) the offsetting of collateral amounts; (d) the unit of account for applying the offsetting requirements.

Amendments to IAS 36 "Impairment of assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014)
Amendments to IAS 36 "Impairment of assets" - Recoverable Amount Disclosures for Non-Financial Assets published by IASB on 29 May 2013. These narrow-scope amendments to IAS 36 address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. Current amendments clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014)
Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – Novation of Derivatives and Continuation of Hedge Accounting published by IASB on 27 June 2013. The narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014)
Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" published by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 1, IFRS

2.5 (b) Standards, amendments and interpretations in issue not yet adopted - continued

3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. The most important changes include new or revised requirements regarding: (i) meaning of effective IFRSs in IFRS 1; (ii) scope of exception for joint ventures; (iii) scope of paragraph 52 if IFRS 13 (portfolio exception) and (iv) clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014)
Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" published by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. The most important changes include new or revised requirements regarding: (i) definition of 'vesting condition'; (ii) accounting for contingent consideration in a business combination; (iii) aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; (iv) measuring short-term receivables and payables; (v) proportionate restatement of accumulated depreciation application in revaluation method and (vi) clarification on key management personnel.

IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014)
IFRIC 21 "Levies" published by IASB on 20 May 2013. IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates.

2.6 Summary of significant accounting policies

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

Interest income: Revenue is recognised as interest accrues.

2.6 Summary of significant accounting policies - continued

Fibre optic maintenance income: Revenue is recognised when service is completed.

Government grants

A government grant is not recognised until there is reasonable assurance that the company will comply with the conditions attaching to it and the grant will be received. The company recognise all government revenue grants as income in the year it is received. Capital grants are deducted from the value of the respective assets.

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 Statement of comprehensive income . 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 when it becomes a party to the contract.

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.

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 Statement of comprehensive income 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.

2.6 Summary of significant accounting policies - continued

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 Statement of comprehensive income 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

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

2.6 Summary of significant accounting policies - continued

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 recognized in the Statement of comprehensive income.

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 Statement of comprehensive income 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 Statement of comprehensive income 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 (years)
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

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.

2.6 Summary of significant accounting policies - continued

Borrowing costs

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

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.

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. Intangible assets are amortised over a period between four and five years.
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 Statement of comprehensive income 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.

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	Revenue	2013	2012	2013	2012
		GWH	GWH	GH¢'000	GH¢'000
	Transmission income	12,927	12,166	303,236	271,751
	Sub-station usage	6	6	-	-
	Transmission loss	580	515	-	-
		---------	----------	------------	-----------
		13,513	12,687	303,236	271,751
		======	=======	=======	=======

4	Direct expenses	2013	2012
		GH¢'000	GH¢'000
	Staff cost	53,171	44,023
	Materials and spares consumed	14,742	13,080
	Maintenance and other direct cost	15,395	19,960
	Depreciation/impairment	48,703	48,376
	Transmission loss	53,519	43,481
		------------	----------
		185,530	168,920
		=======	=======

5	Other income	2013	2012
		GH¢'000	GH¢'000
	Fibre optic maintenance income	936	639
	Miscellaneous income	927	780
		------------	-----------
		1,863	1,419
		=======	=======

6	Administrative expenses	2013	2012
		GH¢'000	GH¢'000
	Directors emoluments	271	127

Staff cost	**26,675**	18,861
Materials and spares consumed	**3,249**	2,386
Other administrative cost	**17,884**	14,114
Depreciation	**4,323**	3,401
Auditors remuneration	**92**	75
	-----------	-----------
	52,494	38,964
	======	=======

7 Finance costs

	2013	2012
	GH¢'000	GH¢'000
Interest on loans and overdrafts	**7,791**	6,626
Exchange loss	**13,162**	545
	-----------	-----------
	20,953	7,171
		=======

8 Finance income

	2013	2012
	GH¢'000	GH¢'000
Interest income	**6,200**	6,375
	========	=======

9 Taxation

(i) The components for income tax expense for 2013 is as follows;

Year of assessment	**Balance 1st January GH¢'000**	**Payment during the year GH¢'000**	**Charge for the year GH¢'000**	**Balance 31 December GH¢'000**
2008 -2012	16,214	-	-	16,214
2013	-	-	21,971	21,971
	--------	-------------	----------	-------- ------
Total	16,214	-	21,971	38,185
	----------	-------------	----------	-------------

(ii) Income tax expenses

Recognised in the statement of profit and loss and other comprehensive income

	2013	2012
	GH¢'000	GH¢'000
Current Income tax	21,971	16,214
Deferred tax charge	13,552	41,237
	-------------	-------------
Total	35,523	57,451
	========	========

(iii) Reconciliation of effective tax rate

	2013	2012
	GH¢'000	GH¢'000
Profit before income tax	52,322	64,490
	--------	-------------
Corporate tax rate	25%	25%
Income tax using the corporate tax rate of 25%	13,081	16,123
Non-deductible expenses	15,472	7,669
Tax on items at different tax rate	-	(2)
Capital Allowances	(6,582)	(7,576)
	--------	-------------
Overall tax charge	21,971	16,214
Effective rate	42%	25%

(iv) Deferred taxation

	2013 GH¢'000	2012 GH¢'000
Balance as at 1st January	**232,055**	-
Recognised in income statement	**13,552**	41,237
Recognised in Equity	**15,635**	190,818
Balance as at 31st December	**261,242**	232,055

Recognised deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following

	2013 Assets GH¢'000	2013 Liabilities GH¢'000	2012 Assets GH¢'000	2012 Liabilities GH¢'000	Net GH¢'000
Property, plant and equipment	-	**261,303**	-	232,055	**29,248**
Others	-	**(61)**	-	-	**(61)**
Net tax liability	-	**261,242**	-	232,055	**29,187**

10(a) Intangible assets

	Software GH¢'000	Total GH¢'000
Cost/valuation		
Balance as at 1 January 2013	423	**423**
Gross revaluation adjustment	69	**69**
	492	**492**

Amortisation		
Balance as at 1 January 2013	253	**253**
Gross revaluation adjustment	52	**52**
Charge for the year	122	**122**
	--------------	**---------**
At 31 December 2013	427	**427**
	========	**======**
Net book value		
At 31 December 2013	65	**65**
	========	**======**
At 31 December 2012	170	**170**
	========	**======**

10 (b) Property, plant & equipment

Cost/valuation	Transmission assets	Freehold Land	Leasehold Land	Buildings	Motor Vehicles	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	**GH¢ '000**
Balance as at 1 January 2013	1,117,990	16,129	25,817	51,634	46,078	1,123	1,624	269,678	**1,530,073**
Disposal	(2,931)	-	-	-	-	-	-	-	**(2,931)**
Transfers	4,322	-	-	3,668	-	-	-	(7,990)	**-**
Gross Revaluation Adustment	309,026	-	-	11,076	6,514	300	313	-	**327,229**
Additions	108	-	-		7,509	668	33	191,640	**199,958**
Balance as at Dec 31, 2013	**1,428,515**	**16,129**	**25,817**	**66,378**	**60,101**	**2,091**	**1,970**	**453,328**	**2,054,329**
Depreciation									
Balance as at 1 January 2013	200,009	-	1,178	2,190	9,331	370	221	-	**213,299**
Disposal	(362)	-	-	-	-	-	-	-	**(362)**
Gross Revaluation Adustment	159,807	-	-	1,044	4,493	161	101	-	**165,606**
Charge for the year	40,057	-	1,178	1,727	9,279	433	231	-	**52,905**
At 31 December 2013	**399,511**	**-**	**2,356**	**4,961**	**23,103**	**964**	**553**	**-**	**431,448**
Net book value									
At 31 December 2013	**1,029,004**	**16,129**	**23,461**	**61,418**	**36,998**	**1,127**	**1,417**	**453,328**	**1,622,881**
At 31 December 2012	917,981	16,129	24,639	49,444	36,748	753	1,403	269,678	1,316,775

10 (c) Disposals

	Cost	Accum. Dep.	NBV	Proceeds	Loss
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
	2,931	362	2,569	1,988	(581)
	========	========	========	========	========

11 Loans and receivables

The balance as at 31 December 2013 of GH¢9.576 million (2012: GH¢7.011 million) represents various loans granted to staff with a duration of between five and ten years.

12 Inventories

The inventories are made up of:	**2013**	2012
	GH¢'000	GH¢'000
Stores and spare parts	**9,677**	8,941
	----------	------------
	9,677	8,941
	======	========

13 Trade & other receivables

	2013	2012
	GH¢'000	GH¢'000
Trade receivables	**211,669**	139,282
Impairment of trade receivables	**(244)**	(244)
Fibre optic maintenance debtor	**1,371**	692
Prepaid expenses	**24,588**	8,997
Staff advances	**2,501**	3,502
	-----------	--------------
	239,885	152,229
	=======	========

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

14	Cash and short-term deposits	2013 GH¢'000	2012 GH¢'000
	Fixed deposit	28,926	39,653
	Call account	2,188	7,841
	Cash at banks and on hand	91,146	39,470
		-----------	-----------
		122,260	86,964
		=======	=======

		2013	2012
15	**Issued capital and other capital reserves**	**2013**	**2012**
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	**350,921**	350,921
		--------------	--------------
	Total	**350,922**	350,922
		=========	=========

16	**Interest bearing loans and borrowings**	**2013**	2012
		GH¢'000	GH¢'000
	Loans due within one year	**27,326**	26,147
		=========	=========
	Loans falling due after one year		
	Loans due within two and five years	**165,150**	114,159
	Over five years	**139,241**	20,595
		--------------	--------------
		304,391	134,754
		=========	=========
	Total borrowings	**331,717**	160,901
		=========	=========

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 - Continued

Lender	Balance 1-Jan GH¢'000	Drawdowns GH¢'000	Repayment GH¢'000	Exchange diff. (Net) GH¢'000	Balance 31-Dec GH¢'000
New Mount Mines	16,459	-	4,493	2,045	14,011
CAL Bank	6,745	2,375	-	555	9,675
Rand Merchant Bank	17,883	17,839	-	3,517	39,239
Standard Chartered Bank	42,207	-	13,094	5,786	34,899
IBISTEK	5,509	3,668	2,961	974	7,190
IBISTEK	9,708	-	9,708	-	-
CAL Bank	1,646	-	855	-	791
GIB	17,171	-	5,675	2,088	13,584
Societe Generale Ghana Limited	18,950	47,483	-	9,760	76,193
Societe Generale Ghana Limited	-	28,846	-	4,208	33,054
HSBC	-	5,088	-	495	5,583
Nordea Bank	12,278	20,348	-	5,977	38,603
Stanbic Bank	12,345	-	-	-	12,345
Ecobank	-	24,746	-	3,316	28,062
CAL Bank	-	7,118	-	587	7,705
Bank of Africa	-	8,609	-	1,055	9,664
Agence Française de Development	-	1,119	-	-	1,119
Total	**160,901**	**167,239**	**36,786**	**40,363**	**331,717**

16 Interest bearing loans and borrowings - continued

Newmont Ghana Ltd Constructed the Ahafo Power Project and passed on the cost to GRIDCo as a loan. The loan is Dollar denominated with a tenor of 11 years and an interest rate of 8%.

CAL Bank financed the Accra third bulk supply with a Dollar and Cedi denominated loan. The tenor is 4 years with 18 months grace period. Interest rate is 11% and 25% for the Dollar and Cedi loans respectively. Cal also financed the Supply improvement to Brekum project with a Dollar loan. The tenor is 7 years with 2 years grace period with an interest rate of 8.5%.

Rand Merchant Bank financed the Smelter II project with a Dollar denominated loan with a tenor of 7 years with 36 months grace period. Interest rate is LIBOR plus 3 %.

Standard Chartered bank financed the supply of transformers with a Dollar loan. Tenor is 5 years with 12 months grace period. Interest rate is LIBOR plus 5.85.

IBISTEK financed the construction of Warehouse and passed on a Dollar denominated loan to GRIDCo. Tenor is 4 years with 12 months grace period. Interest is 6.25%.

Ghana International bank financed the Supply of Transformers with a Dollar loan. Tenor is 6 years with 12 months grace period. Interest rate is 7.25%.

Societe Generale Ghana Limited financed the Tumu-Han-Wa transmission Project and the Substation Reliability Project with a Euro denominated loan. Tenor is 12 and 11.5 years respectively with 29 and 23 months grace periods respectively. Interest rate is EURIBOR plus 1.75 for the two loans.

HSBC financed the Prestea Bogosu transmission lines and Substation Refurbishment Project with a Dollar loan. Tenor is 5 years with 12 months grace period. Interest rate is LIBOR plus 1.90.

NORDEA Bank financed the Bawku Zebilla Reinforcement Project with a Euro Loan. Interest rate is EUROBOR plus 1.94 with a tenor of 13 years. The grace period is 3 years.

Stanbic Bank co-financed the Bawku Zebilla Reinforcement Project with a Cedi loan. Tenor is 7 years with 2 years grace period. Interest rate is 23.5%.

ECOBANK financed the Supply Improvement to Western Region Project with a Euro denominated loan. Tenor is 7 years with 2 years grace period. Interest rate is 5%.

Bank of Africa financed the Switchgear Upgrade Project with a Euro denominated loan. Tenor is 6.5 years with 24 months grace period. The interest rate is 9%.

17 Trade & other payables

	2013	2012
	GH¢'000	GH¢'000
Payables due PURC	**13,575**	8,585
Payables due VRA	**31,128**	7,878
Trade payables	**13,737**	4,691
Accrued expenses	**11,642**	3,687
	-------------	-------------
	70,082	24,840
	========	========

18 Related party transactions

	2013	2012
(a) Loans due from related parties:	**GH¢'000**	GH¢'000
Officers and other employees (Note 11)	**9,576**	7,011
Staff advances (Note 13)	**2,501**	3,502
	-------------	-------------
	12,077	10,513
	========	========

	2013	2012
(b) Receivables due from related parties:	**GH¢'000**	GH¢'000
Electricity Company of Ghana	**158,740**	97,903
Volta Aluminium Company Limited	**33,531**	20,443
	-------------	-------------
	192,271	118,345
	========	========

		2013	2012
(c)	**Payables due to related parties:**	**GH¢'000**	GH¢'000
	Volta River Authority (VRA)	**31,128**	7,878
		========	========

		2013	2012
(d)	**Compensation of key management personnel of the Company**		
		GH¢	GH¢
		GH¢'000	GH¢'000
	Salaries and other allowances	**1,962**	1,488
		========	========
	Termination benefits	**654**	-
		========	========

The non-executive directors do not receive pension entitlements from the Company.

(e) Receivables due from related parties is in respect of outstanding transmission service charge. The normal 30 days credit facility extended to all our customers is applicable to the two companies.

(f) Payables due to related parties is the net indebtedness of GRIDCo to VRA after taking into consideration transmission losses and substation electricity used due to VRA and transmission service charge due from VRA and NEDCo. The two Institutions have an agreement to settle on net basis.

19 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables.

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

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

The Board of Directors review and agree 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	
	2013	2012
Fixed rate instruments	**GH¢'000**	GH¢'000
Financial assets	**362,145**	239,193
	=======	========
Financial liabilities	**401,799**	185,741
	========	========

Sensitivity analysis
The company had no variable interest rate instruments at the reporting date and at 31 December 2013 (2012: nil).

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.

20 Financial risk management objectives and policies - continued

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

	2013 US$'000	2012 US$'000
Loans	**149,094**	85,379
	------------	-------------
Net balance sheet exposure	**149,094**	85,379
	========	========

The following exchange rates were applied during the year:

Ghana Cedi	Average rate		Reporting date spot rate	
	2013	2012	**2013**	2012
GH¢/US$ 1	**2.11**	1.97	**2.16**	1.88

Sensitivity analysis

A 10 per cent strengthening of the Ghana Cedi against the United States Dollar 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 2012.

Effect in Ghana Cedis	Profit/(loss) GH¢'000
31 December 2013	
US$	**14,909**
	========

	Profit/(loss) GH¢'000
31 December 2012	
US$	8,538
	========

A 10 per cent weakening in the Ghana Cedi against the above currencies at the reporting date and at 31 December 2012 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

Liquidity risk is the risk that the company 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 unacceptable losses or risking damage to the company's reputation.

The company manages its cash position and future outflows on an on-going 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. The contractual maturity is based on undiscounted payments.

21 Financial risk management objectives and policies - continued

31 December 2013

	Carrying amount GH¢'000	less than 6 months	6-12 months GH¢'000	1-2 years GH¢'000	2-5 years GH¢'000	above 5 years GH¢'000
Trade and other payables	70,082	70,082	-	-	-	-
Loans	330,598	13,663	13,663	51,074	114,076	138,122
Overdraft	2,234	-	-	-	-	-
	402,914	83,745	13,663	51,074	114,076	138,122

31 December 2012

	Carrying amount GH¢'000	less than 6 months GH¢'000	6-12 months GH¢'000	1-2 years GH¢'000	2-5 years GH¢'000	above 5 years GH¢'000
Trade and other payables	24,840	17,135	7,705	-	-	-
Loans	160,901	13,073	13,073	31,409	82,750	20,595
Overdraft	-	-	-	-	-	-
	185,741	30,208	20,778	31,409	82,750	20,595

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's 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:

	2013	2012
	GH¢'000	GH¢'000
Trade receivables	211,669	139,038
Other receivables	28,460	13,191
Cash and cash equivalents	122,260	86,964
	------------	--------
	362,389	239,193
	=======	=======

90.1% of the total trade receivables is owed by:		2013	2012
	ECG	74.99%	70.41%
	Valco	15.84%	14.70%

69.2% of the cash and cash equivalents is held by :			
	Ecobank	14.51%	18.27%
	SGSSB	11.25%	3.86%
	Barclays	30.86%	-
	HFC	12.58%	14.66%

Collateral

The Company did not hold collateral of any sort at 31 December 2013 (2012 : Nil).

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.

22 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 was no commitment at the end of the year (2012: GH¢ 500,000).

23 Events after the reporting period.

New board members were inaugurated on 31 January 2014. The names of the new board members have been disclosed on page 2 of the financial statements.

GRIDCo
Backbone to Power Delivery
GHANA GRID COMPANY LIMITED

PROXY FORM

(5th ANNUAL GENERAL MEETING OF THE GHANA GRID COMPANY LIMITED)

We, ... of .... being a member of the above-named company hereby appoint .... of .... as our proxy to vote for us on our behalf at the Annual General Meeting of the company to be held on August 20, 2014 at the Holiday Inn, Accra and at any adjournment thereof.

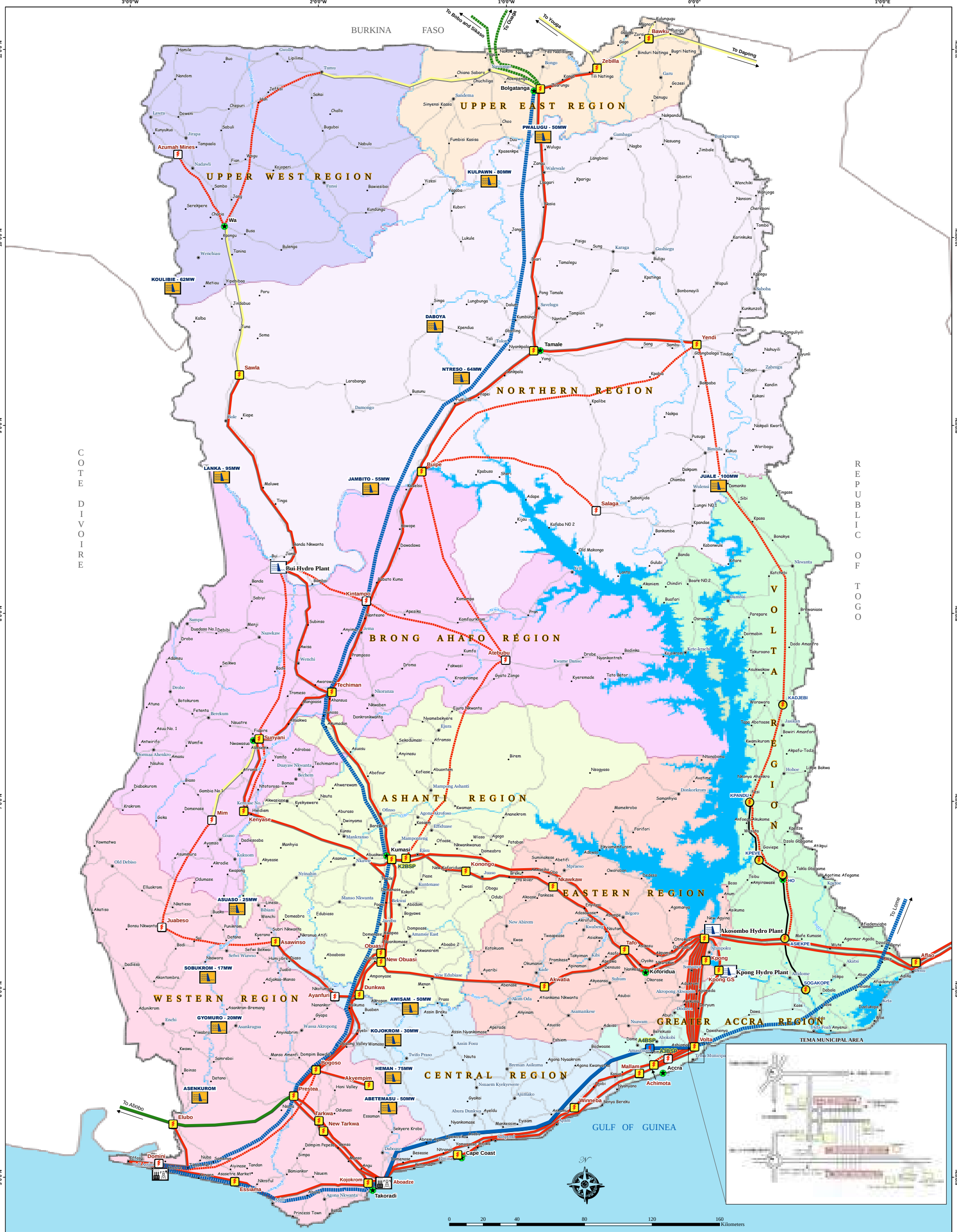
Please indicate with an "X" in the spaces below how you wish your vote to be cast.

RESOLUTION	FOR	AGAINST
1. To receive and consider the Financial Statements for the year ended December 31, 2013 together with the Reports of the Directors and Auditors thereon		
2. To authorize directors to appoint auditors to audit the 2014 Financial Statements and to fix the remuneration of Auditors.		

Signed this .... day of August, 2014

Shareholder's Signature..

NATIONAL INTERCONNECTED TRANSMISSION SYSTEM OF GHANA



LEGEND

Regional Capitals	161kV Sub-Stations	Existing 69kV Powerlines	Proposed 161kV Powerlines	Trunk Roads
District Capital	161kV Sub-Stations (Proposed)	Proposed 225kV Powerlines	Existing 225kV Powerlines	Major Rivers
Towns	69kV Sub-Stations	Existing 161kV Powerlines	Existing 330kV Powerlines	National Boundary
Hydro Electric Plants	Proposed 330kV Substation	161kV Operating 34.5kV	Proposed 330kV Powerlines	Gulf of Guinea
Potential Hydro Sites	Thermal Power Plants	161kV Operating 34.5kV (Prop.)		Volta Lake

Map Produced By:
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