GRIDCo

Backbone to Power Delivery

GHANA GRID COMPANY LIMITED

2015

ANNUAL REPORT RV.1

CONTENTS

CORPORATE CONTACT DETAILS

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NOTICE AND AGENDA OF THE 7TH ANNUAL GENERAL MEETING OF GHANA GRID COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting of Ghana Grid Company Limited (GRIDCo) will be held at La Palm Royal Beach Hotel, Accra, on September 19, 2016 at 10.00 a.m. to transact the following business:

1. To receive and consider the Financial Statements for the year ended December 31, 2015, together with the Reports of the Directors and Auditors thereon;

2. To authorize Directors to appoint auditors to audit the 2016 Financial Statements and to fix the remuneration of Auditors.

DATED IN ACCRA THIS 31ST DAY OF AUGUST, 2016.
BY ORDER OF THE BOARD

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

NOTE:
A Member of the Company entitled to attend and vote may appoint a proxy to attend and vote on behalf of the Member. A proxy need not be a Member of the Company.

A form of proxy is provided at the end of 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, off Tema/Aflao Road Tema, not less than 48 hours before the appointed time of the meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Alhaji Huudu Yahaya	Chairman
Ing. William Amuna	Chief Executive
Dr. Patrick Buah	Member
Mr. Adam Mukaila	Member
Mr. Anthony El Adas	Member
Mr. Daniel Yahaya	Member
Mr. Kwabla Dogbe Senanu	Member
Mr. Mark Ofori-Amanfo	Member

BOARD SECRETARY

Monica Nana Ama Senanu (Mrs.)

AUDITORS

PricewaterhouseCoopers
No.12 Airport City
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PMB CT42 Cantonments
Accra, Ghana

Tel: +233 302 761 500
Fax: +233 302 761 544

REGISTERED OFFICE

Ghana Grid Company Limited
Off Aflao Highway, Tema
P. O. Box CS 7979
Tema
Ghana

Tel: +233(0)303 304 818
Fax: +233(0)302 676 185
E-Mail: gridco@gridcogh.com
Website: www.gridcogh.com

VISION
To be the model electricity grid Company.

MISSION
We provide a reliable electricity grid for development.

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

CORE VALUES - (RISE & CARE)
RESPONSIVENESS
We attend to internal and external customer needs with focus, speed and skill and effectively engage our stakeholders.

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

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

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

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

GRIDCo AT A GLANCE

In line with the Power Sector Reforms, GRIDCo was incorporated in 2006 to provide power transmission services for wholesale suppliers and bulk customers, in an open and transparent manner. GRIDCo became operational on August 1, 2008. GRIDCo is a private limited liability company wholly-owned by the Government of Ghana. The company is presently governed by an eight (8)-member Board of Directors.

The Company was established to develop and promote competition in Ghana's Wholesale Power Market, by providing non-discriminatory and open access to the transmission grid for all participants in the power market. These participants include wholesale suppliers of power and bulk consumers. GRIDCo's role is aimed at enhancing efficiency in power delivery.

ASSETS

GRIDCo's main assets are:

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

MODE OF POWER TRANSMISSION

As the Electricity Transmission Utility, GRIDCo transmits power from all power generating companies and delivers it to bulk customers which include electricity distribution companies – Electricity Company of Ghana (ECG) and Northern Electricity Distribution Company of Ghana (NEDCo), mining and textiles companies.

GRIDCo owns and operates over 5,216 km of high voltage transmission lines across the country, which are mainly operated at 161 kV. The other transmission voltages are 69 kV, 225 kV and 330 kV. These lines carry power from various generating stations to fifty-eight (58) substations owned by GRIDCo. At these substations the power is stepped down to lower voltages mainly, 11 kV and 34.5 kV to facilitate the transmission to distribution companies and bulk customers.

DEPARTMENTS

To ensure that corporate goals and objectives are accomplished in a cost effective and an environmentally-sustainable manner, the following twelve departments have been mandated to execute GRIDCo's functions:

1. Corporate Office
2. System Operations
3. Engineering

The maintenance and operations of the transmission network is managed by the Southern Network Services and the Northern Network Services Departments...

4. Network Performance
5. Southern Network Services
6. Northern Network Services
7. Finance
8. Human Resources & Services
9. Legal Services and Board Secretariat
10. Internal Audit
11. West African Power Pool (WAPP) Projects
12. Corporate Planning

OUR OPERATIONAL AREAS

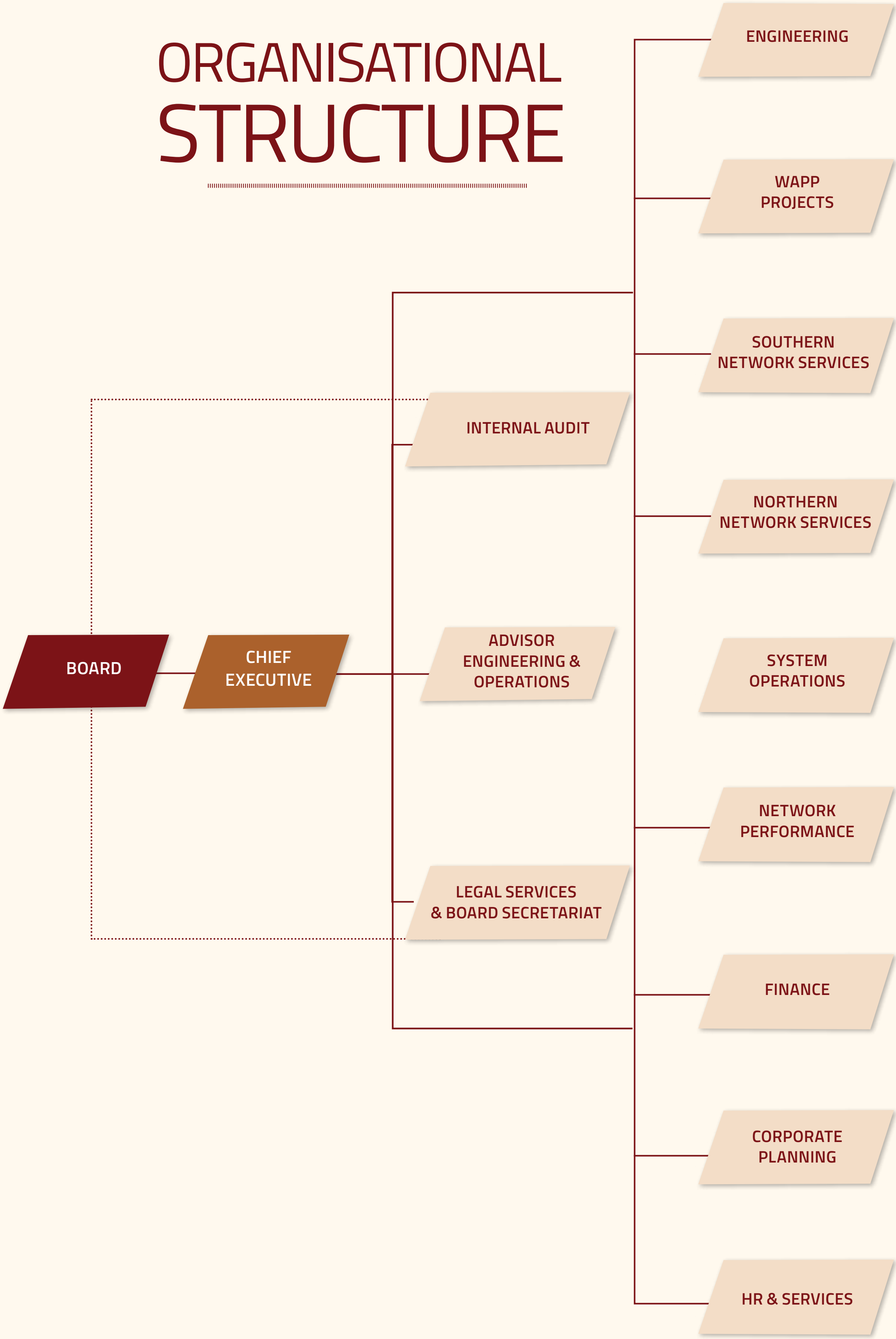
The maintenance and operations of the transmission network is managed by the Southern Network Services and the Northern Network Services Departments, which are further divided into the following seven (7) Operational Areas, to facilitate efficient power transmission nationwide. Southern Network Services Department: Akosombo, Volta, Takoradi and Prestea Areas Northern Network Services Department: Kumasi, Techiman, Tamale Areas

REGULATORS

GRIDCo's operations are regulated by the following bodies:

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

ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS

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

CHAIRMAN'S STATEMENT

ALHAJI HUUDU **YAHAYA**
CHAIRMAN

Dear Shareholder,
Ladies and Gentlemen,

I welcome you to GRIDCo's 7th Annual General Meeting and present to you, on behalf of the Board, a summary of corporate strategies pursued in the 2015 financial year.

The implementation of these strategies were limited by a fall in the total volume of energy transmitted within the period under review. The fall was caused by power supply deficits.

FINANCIAL OPERATIONS

The shortfall in the volume of power transmitted resulted in a reduction in revenue from power transmitted to customers. The indebtedness of our major customers, Electricity Company of Ghana (ECG) and the Volta Aluminium Company (VALCO) also increased significantly in 2015. These factors in addition to the depreciation of the Ghana Cedi worsened the Company's financial state. The financial state of the Company has resulted in increased payables and receivables and a deterioration in GRIDCo's working capital.

In 2015, total revenue recorded was GH¢472.345 Million and Net Profit achieved was GH¢ 44.797 Million.

PERFORMANCE MANAGEMENT

In order to consistently enhance service delivery, the Board guided the Company to continue the implementation of the Balanced Scorecard, a well-recognized performance management planning tool that enables alignment of operations to strategic objectives. During the period, corporate strategies and objectives were identified and set within the Company to improve output. These strategies will guide the definition of objectives at different levels of the Company's operations. The achievement of these objectives will be assessed alongside the external assessment of performance targets set by the State Enterprises Commission.

RISK MANAGEMENT

In recognition of the Company's responsibility to manage and use resources effectively, we developed a Risk Management Charter, Policy and Guidelines during the year, which was intended to guide Management and Staff in the identification and mitigation of corporate risks. The Risk Management Charter establishes a Risk Management Committee at the Management level,

which will review the effectiveness of GRIDCo's Management system, practices and procedures and make recommendations for improvement and thereby assist the Board in discharging its responsibilities on risk management.

TELECOMMUNICATION SERVICES

In pursuance of the building of a robust telecommunication network, a Consultant, Smart Grid Consulting, USA, was engaged to assist in the development of a Telecommunication Master Plan provided an initial structured outline for GRIDCo's diversification into the telecommunications market.

On the sub-regional front, the Company adopted and executed the West African Power Pool (WAPP) Dark Fibre Consortium Agreement Document, which was subsequently adopted by the WAPP Executive Board. The adoption of the Agreement will facilitate the realization of the full potential of the WAPP Members' Fibre Assets and more particularly, reduce the management and financial costs of possessing Excess Dark Fibre capacities - by committing part or full to a pool or an inventory. The Agreement will also make it possible to make available Committed Fibre to the telecommunications market in the West Africa zone to boost competition in the telecommunications market industry and generate revenue for the Utilities.

We wish to acknowledge the steps taken by the Government to strengthen the power sector...

RESTRUCTURING OF THE POWER SECTOR

We wish to acknowledge the steps taken by the Government to strengthen the power sector, principally, the weak financial foundation in existence currently. During the period under review, we approved a directive by our Regulator, Public Utilities Regulatory Commission (PURC) on a Restructuring and Re-financing of the Power Sector Utility Debt. The objective was to generally raise financing to restructure and refinance utility debt. The arrangement will also include the implementation of PURC Tariff Revenue Allocation Guidelines.

RENEWABLES

In 2015, as part of our collaboration with potential Independent Power Producers (IPPs), the initiation of formal discussions were held with twelve (12) prospective entrants into the renewable energy sector. These entities which sought to be integrated onto the grid were at various stages of the application process.

We continue to position ourselves to provide adequate infrastructure required for the evacuation of the increased amount of power that will be connected to the grid.

In line with Government's initiative to have renewable energy as part of the generation mix and following GRIDCo's review, the Energy Commission has published a Renewable Energy Grid Code to serve as a guide for all interested parties.

OUTLOOK

The National Interconnected Transmission System (NITS), which GRIDCo operates, remains one of the important components of the power sector. The undercapitalization of the Company, the cost of financing and directives on the various financial requirements, place the Company in a vulnerable position, which needs to be addressed.

We are expectant that the Government's quest in addressing the current financial situation affecting the Power Sector utilities will strengthen our financial capacity. A better financial environment will lead to the execution of critical projects required for the efficient operation of the NITS and improve the reliability of electricity in the country.

The 225 MW KarPowership and the 250MW AMERI emergency power plants have brought considerable relief in the power supply situation.

Together with other upcoming plants, there will be an increased amount of power available to the grid. We continue to position ourselves to provide adequate infrastructure required for the evacuation of the increased amount of power that will be connected to the grid.

CONCLUSION

On behalf of the Board, I thank the Government of Ghana, our Regulators, Generators, cherished Customers, financiers and partners, for their trust in the Company. We look forward to your continuous support as we address the technical and financial challenges in our country's Power Sector.

We are also grateful to the Management and staff of GRIDCo for your dedication during another taxing year.

....
Alhaji Huudu Yahaya
BOARD CHAIRMAN

MANAGEMENT STAFF

1 **MR. WILLIAM AMUNA**
Chief Executive

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

3 **MR. ERIC ASARE**
Director, Network Performance

4 **MR. NORBERT ANKU**
Director, Southern Network Services

5 **REV. SAMUEL F. KWOFIE**
Director, Engineering

6 **MR. KOFI MENSAH**
Director, Northern Network Services

7 **MR. BERNARD MODEY**
Director, System Operations

8 **MR. FRANCIS KYERE**
Director, WAPP Projects

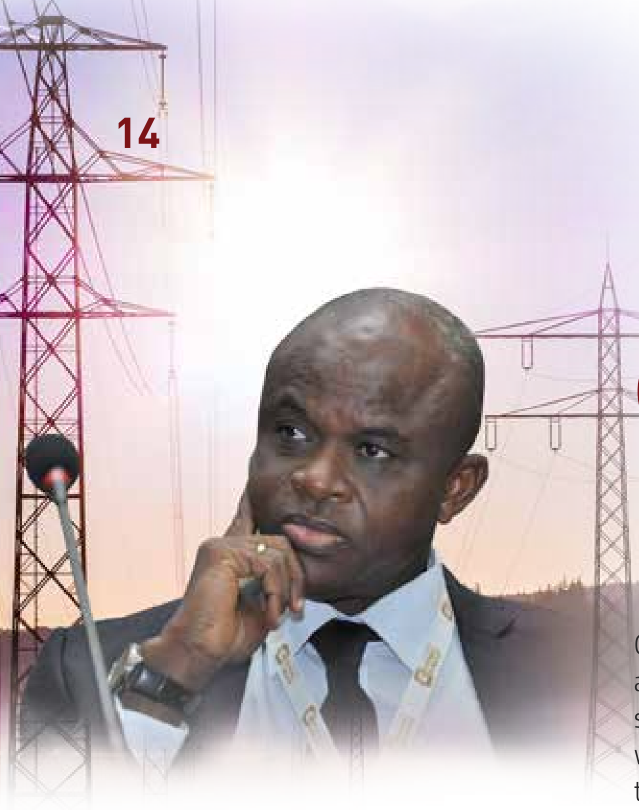
9 **MR. ISAAC AKESSEH**
Director, Corporate Planning

10 **MR. KOFI OKOFO DARTEY**
Director, Finance

11 **WG. CDR. (RTD.) SAMUEL ALLOTEY**
Director, Human Resource & Services

12 **MRS. MONICA N. A. SENANU**
Company Solicitor & Board Secretary

13 **MR. RICHARD NTIM**
Chief Internal Auditor



WILLIAM **AMUNA**
CHIEF EXECUTIVE

CHIEF EXECUTIVE'S REPORT

Dear shareholder, chairman and members of the GRIDCo Board, distinguished ladies and gentlemen, I welcome you to the seventh Annual General Meeting of the Ghana Grid Company Limited.

On behalf of the management and staff of the Company, I share with you the progress, which GRIDCo made, during the year under review; ending December 31, 2015, based on the vision, mission, values and strategic objectives of the company.

Distinguished ladies and gentlemen, kindly permit me, on behalf of the Management and Staff, to acknowledge the invaluable contributions made to our operations by the late Mr. Daniel Yahaya, a former board member of GRIDCo. May his soul rest in peace. I would like to echo the Board Chairman's deepest appreciation to the Government of Ghana, Sector Ministries, Regulators, Development Partners and all Stakeholders for their continued co-operation with us. Equally deserving our recognition and praise is our staff, who were called upon to make many sacrifices throughout the year.

Distinguished ladies and gentlemen, the year 2015 was very challenging for GRIDCo because of operating limitations such as shortfall in power supply, depreciation of the local currency and low payments by some of our key customers. Despite these challenges GRIDCo was able to operate the National Interconnected Transmission System (NITS) with minimal interruptions.

The timely intervention by Government in the procurement of the 225MW Karpowership generator significantly minimised the power supply shortfall which had persisted for almost three years.

We fully support Government's vision of making Ghana a net exporter of power by the year 2020. GRIDCo is therefore, undertaking a number of Projects to strengthen the transmission grid, in order to enhance its capacity and efficiency to transmit additional power expected to be connected to it.

We fully support Government's vision of making Ghana a net exporter of power by the year 2020.

TARIFF

In the year under review, GRIDCo requested for a 25% upward tariff adjustment, but the PURC granted 24.55%. Thus, the previous tariff of GHp 4.0453/kwh was increased to an amount of GHp5.0384/kwh, effective December, 14 2015.

Whereas GRIDCo received a 24.55% increase in Transmission Service Charge (TSC), the Bulk Generation Tariff (the rate for paying transmission losses) increased by 44.35%. This means that GRIDCo will still have to pay more for transmission losses, which will negatively affect our revenues.

FINANCIAL PERFORMANCE

Until 2014, GRIDCo recorded a good financial performance for four (4) consecutive years. The performance of the company in year 2014 was significantly impacted by some operational constraints, resulting in Net Loss of GH¢ 41.50million. The constraints included shortfall in power supply, high receivables from Electricity Company of Ghana (ECG) and Volta Aluminium Company (VALCO); who are key customers. Another constraint faced was depreciation of the local currency, which caused high exchange losses and financing costs.

The constraining operating factors in 2014 persisted in year 2015. In spite of the unfavourable factors, GRIDCo achieved total revenue of GH¢472.345 million and Net Profit of GH¢44.797 million.

GRIDCo's operating constraints which resulted in liquidity challenges affected the company in a number of ways. For instance, the progress of some ongoing projects were stalled, whilst the commencement of new ones were delayed. There were delays in fulfilling some financial obligations to financiers, suppliers and service providers, contractors and employees.

Management however remains focused on pursuing debts owed by defaulting customers. Austerity measures, which were introduced to manage the liquidity challenges are also being strictly adhered to, to ensure the judicious use of funds and resources for the effective and efficient running of the company.

OPERATIONAL PERFORMANCE

During the year under review, we transmitted a total of 11.69 TWh of energy. Out of this, the net energy consumed locally was 10.65 TWh. GRIDCo imported 0.22 TWh from Cote D'Ivoire and exported 0.60 TWh to SONABEL, Youga mines, Burkina Faso and CIE. 11.45 TWh was recorded as the net total energy generated in Ghana. Transmission losses recorded in 2015 was 3.79% (0.44 TWh) as compared to 4.32% (0.57 TWh) in 2014. This appreciable drop resulted from the various projects that have been undertaken on the NITS including replacing obsolete equipment with modern and more effective ones; increasing

To ensure the timely evacuation of power from the Karpowership barge, which was procured by the Government of Ghana (GoG) to address the generation shortfall, GRIDCo constructed a 161kV transmission line...

the transformer capacities of selected substations; and expanding coverage of 161kV and 330 kV lines.

Graph 1, highlights transmission losses from 2010 - 2015

The NITS recorded a peak demand of 1933 MW on December 29, 2015. This however represents a 1.88% reduction of the January 16, 2014 amount of 1970 MW.

Graph 2, presents the trend of system peak demand (MW) from 2010 - 2015

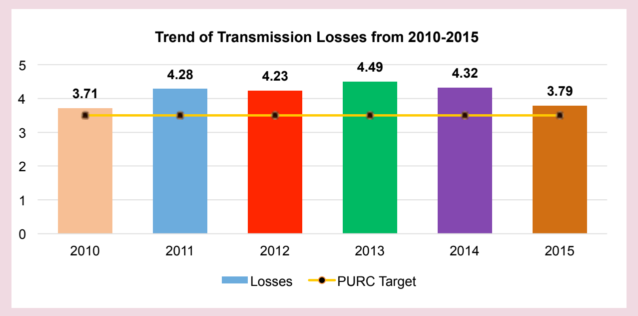
SYSTEM MAINTENANCE

In 2015, the System Average Availability recorded was 99.46%, which was above the PURC's stipulated target of 95%.

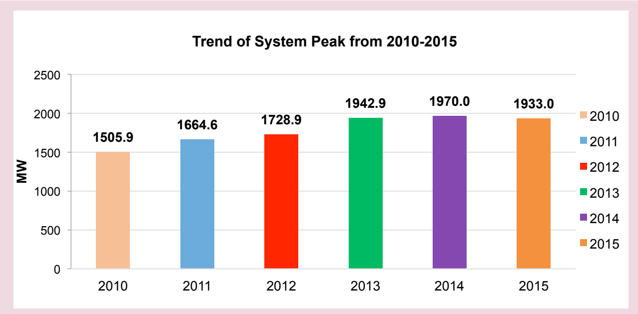
The system availability recorded is a drop in the 2014 figure of 99.79%. The drop was due to interruptions in power supply to customers due to shortfall in available generation.

Graph 3 depicts the trend of System Average Availability from 2010 - 2015

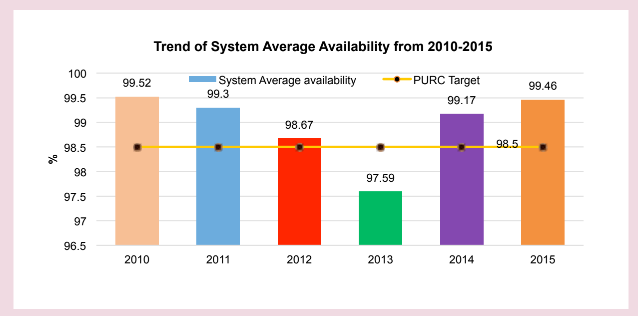
GRAPH 1



GRAPH 2



GRAPH 3



PROJECTS

In line with international best practices and standards, GRIDCo continued to pursue the execution of projects to increase the capacity and reliability of power transmission on the NITS.
As part of efforts to ensure adequate transformer capacity to meet the increasing demand in the capital city, two (2) additional transformers were installed at the Accra East Substation to increase the number of transformers at the station to four (4).

To ensure the timely evacuation of power from the Karpowership barge, which was procured by the Government of Ghana (GoG) to address the generation shortfall, GRIDCo constructed a 161kV transmission line from the barge to the Smelter II Substation located in Tema.
The Ghana section of the Ghana –Togo-Benin Interconnection segment of the WAPP Coastal Backbone Transmission line, which involved the construction of a 330kV Volta-Tornu Transmission Line was energized in November 2015.

2015 ELECTRICITY SUPPLY PLAN

We successfully published the Annual Electricity Supply Plan for 2015.

The document elaborates on the projected 2015 demand and supply situation built on the most accurate data and assumptions for load forecasts and expected generation for the year. It also captures the energy supply and demand outlook scenario for the years 2016 – 2018, providing specific directions on issues related to planning, operations and minimizing of threats to the security and reliability of the power system for 2016.

Our efforts to make the transmission system robust, including the construction of additional transmission lines and the various forms of upgrading the NITS were enumerated in that report.

OCCUPATIONAL HEALTH AND SAFETY

Regular safety meetings were held at all Operational Areas as scheduled. A draft Health and Safety manual for Contractors was prepared. Fire and Safety Audits of all Operational and Non-operational Areas were successfully conducted. A firefighting training kit was also procured for training of staff in firefighting

Fire and Safety Audits of all Operational and Non-operational Areas were successfully conducted.

HUMAN RESOURCE, INDUSTRIAL RELATIONS, TRAINING & DEVELOPMENT

GRIDCo continued to enjoy a warm industrial climate in 2015, which was nurtured by the transparent and cordial relationship fostered between management and the leadership of the various staff groups.

A well-equipped gymnasium was commissioned at the Grid Park of the Head Office as part of a work-life balance initiative towards a healthy workforce. The facility, which is for staff use only, has since been very well patronised.

A total of eighteen (18) employees retired in 2015, and we unfortunately lost four (4) staff members, who were in active service at the time of their demise. May their souls rest in perfect peace.

Staff received both local and overseas training, as part of the ongoing drive towards developing and maintaining a pool of highly competent and professional staff. Leadership and managerial competences were also developed through training programmes in public administration. The dedication to duty and the general staff engagement were evident in the operational achievements despite the challenges within the power sector.

STAKEHOLDER ENGAGEMENTS

Stakeholder engagements in 2015 included the hosting of Commissioners of the PURC - one of GRIDCo's regulators; Secretary General of the West African Power Pool (WAPP); ECG Management; officials from Communaute Electrique du Benin (CEB - one of GRIDCo's international customers) and investors, who attended the Power Africa Conference, held in Ghana.

CONCLUSION

As Management of this strategic company, we are poised for new competitive challenges, in line with government's agenda of increasing power supply to 5000MW installed plant capacity, in a safe and reliable manner, by the year 2020.We look forward to the future with hope and determination.

Thank you all for your immense and diverse forms of support.

....

Ing. William Amuna
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 stakeholders.

It comprises procedures for proper supervision, control, and the flow of information 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 Management staff, the Shareholders have appointed an eight (8) – member Board. The Chief Executive is the only management member of the Board.

The Board works through Committees which continuously monitor and evaluate the strategies, performance, compliance and accountability of Management and report to our Shareholder and other stakeholders of the company.

These Committees are the Finance and Audit, Industrial Relations & Compensation, Market Operations, Engineering and Operations Committees.

THE FINANCE & AUDIT

Committee considers financial and operational information and reviews reports which cover actual achievements, projected or budgeted targets and other performance indicators.

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

The Compensation and Industrial Relations Committee advises the Board, and guides Management to recruit and retain suitably skilled and qualified personnel. The Committee is also championing the establishment of an improved Performance Management System which will enable regular assessment and continuous improvement of Management and Staff.

The Engineering and Operations Committee ensures that GRIDCo stays focused in the achievement of its primary mandate of transmitting electricity in a reliable and cost-efficient manner. It evaluates proposals for various projects and assesses the priority of each project in relation to its impact on the NITS.

The Market Operations Committee has oversight responsibilities for the policy level on the setting up of the Wholesale Electricity Market, in accordance with relevant legislation and in fulfilment of the objects of the Power Sector Reforms. The Committee reviews Management submissions relating to requirements for market operations to the Regulator.

The Board ensures that its supervision and strategic direction lead to the achievement of the corporate goals and vision for the benefit of the company, the shareholder and the country.

CORPORATE SOCIAL RESPONSIBILITY

Since GRIDCo's inception in 2008, we have provided funding and resources for worthy social causes. In line with our Corporate Social Responsibility (CSR) guidelines, this practice has been devotedly executed to support the Health, Educational and Environmental needs of the communities in which we operate.

GRIDCo's vision and mission go beyond our product and profits. Our Core Values (R.I.S.E. & Care) include "Caring." By "caring" we mean we are committed to act with compassion in all situations, to listen with respect to employees, customers and stakeholders and to value their differences.

Additionally, one of the greatest benefits of GRIDCo's CSR activities is the sense of community and teamwork it has built among staff and the beneficiary communities across the country.

Ultimately these gestures are aimed at buttressing our branding efforts, as well as enhancing our image as a socially responsible company.

HEALTH

During the period under review, we honoured a pledge to support the fund raising activities of the State Enterprises Commission (SEC) in support of the Korle Bu Child Health Department.

EDUCATION

In 2015, we continued to support a number of students from the Kwame Nkrumah University of Science and Technology - Medical Students Association (KNUST-MSA) to embark on their mandatory foreign internship programmes. We are proud to be part of the success stories of up and coming Medical Officers, who are being equipped with best practices in the health industry.

We also reached out to the South Tongu District Assembly by purchasing roofing sheets for the Agbakorpe RC Primary School, following a severe rainstorm, which heavily destroyed the school building.

Furthermore, in appreciation of hard working teachers in the Ashaiman Municipality, we gave our widow's mite to the Ghana Education Service by offering support to organize the 2014 /2015 Best Teacher / Worker Award programme, in the Ashaiman Municipality.

We also made a donation at the inauguration of the Komla Dumor Centre for Broadcast Journalism at the Africa University College of Communications. The Komla Dumor Centre for Broadcast Journalism is a legacy journalism education project in memory of Komla Dumor [an ace broadcast journalist, who before his death, worked with the British Broadcasting Corporation (BBC, U.K.].

Since 2011, GRIDCo has sponsored the subscription of the Junior Graphic newspaper to forty-four (44) primary schools in GRIDCo's Operational Areas, most of which do not have Community Libraries. This project is aimed at helping the school children to improve upon their reading and writing skills.

ENVIRONMENT

GRIDCo owns the portions of land over which the transmission lines run, as part of the network. Those portions of land which are also referred to as the Right-of-Way (RoW) extend for a distance of fifteen (15) meters on each side from the centre of the transmission tower for 69 kilovolts and 161kilovolts transmission lines and twenty (20) meters for 225 kilovolts and 330 kilovolts transmission lines. Regrettably, encroachers have occupied large portions of our ROW; considering it as unoccupied land or free space to trade their wares and ignoring the dangers of their location.

To demonstrate our commitment to being a socially responsible organization, GRIDCo continued to educate encroachers on the dangers of living close to such high voltage electricity transmission lines. We have also invested in evacuating these encroachers to avoid loss of lives, and also prevent outages caused by accidents emanating from their presence and activities. In collaboration with some organizations, we are working on how to use the ROW to ensure environmental sustainability.

OPERATIONAL REPORTS

ELECTRICITY TRANSMISSION

The peak demand for the year under review recorded was 1,933 MW, on December 29, 2015 at 19:00hrs, representing a 1.88% decrease over the 2014 peak of 1,970 MW.

The total projected energy consumption for the period was 16.03 TWh. The total energy transmitted during the period was 11.69 TWh, representing a 10.56% (1.38 TWh) decrease over the 2014 amount of 13.07 TWh.

The major reason for the comparative drop in energy transmitted was the load shedding exercise carried out during the period under review.

The total energy transmitted for domestic consumption was 10.65 TWh, while a total of 0.56 TWh was exported to our international customers (La Communaute Electrique du Benin [CEB], Togo, La Societe Nationale D'electricite Du Burkina (SONABEL) and the Youga Mines, Burkina Faso).

Energy wheeled from Cote d'Ivoire to Togo/ Benin was 0.012 TWh. Furthermore, exchanges on the tie line between Ghana and Cote d'Ivoire consisted of 0.223 TWh of energy imported to Ghana and 0.035 TWh exported to Cote d'Ivoire. This produced a net import energy of 0.188 TWh.

SYSTEM MAINTENANCE

In 2015, the System Average Availability recorded was 99.46%, which was above the PURC's stipulated target of 95%. The system availability recorded is a drop in the 2014 figure of 99.79%. The drop was due to interruptions in power supply to customers because of a shortfall in available generation.

The short fall in power supply with its consequent load management regime also resulted in a reduced feeder availability for the year. Feeder availability, including planned outages was 98.72%, whilst feeder availability, excluding planned outages recorded was 98.85%.
The following key maintenance activities were carried out during the year under review;

- Washed all polluted insulators, circuit breaker and transformer bushings at the Aboadze 330kV substation, the gantry of the Aboadze - Volta 330 kV line at Aboadze and at the 330KV Substation bay at Volta.
- Terminated the 161KV transmission lines from Volta to the newly constructed Accra East Substation, and from the Accra East Substation to Achimota Substation.
- Commissioned the phase II of the Accra East Substation.
- Completed the de-commissioning of 4T6 transformer at the New Tema substation to make way for its replacement with a new transformer.
- Successfully conducted a pre-commissioning patrol on newly constructed Volta – Togo 330kV line and also assisted in commissioning the line up to the Ghana border.
- Conducted thermography scanning on all substation equipment in Kumasi, Tamale,



Sunyani, Techiman substations. All identified hotspots at the various substations were duly rectified.

- Installed and commissioned a new distance protection relay (MiCOM P443) on the Dunkwa - Bogoso line to replace a defective one at Dunkwa Substation.

- Decommissioned a total of five (5no) 34.5kV SF6 gas metal clad circuit breaker compartments at Tamale Substation to pave way for the installation of Gas Insulated Switchgears under the switchgear replacement project.

- Installed Energy billing meters on station service transformers at Kintampo, Techiman and New Abirem Substations. This was done to monitor energy consumption at those stations and hence facilitate the calculation of losses on the NITS.

- Installed new multi-function panel meters to replace the old analogue indicating meters at Obuasi and New Obuasi Substations.

TELEMETRY & BILLING

In the previous year (2014), a modern telemetry system was installed with the aim of developing a more efficient billing system. Hardware systems and communication modems, as well as a billing software to automate the billing processes were installed.
By August, 2015, the system was ready for a parallel run with the existing billing software. Problems, which came up during the process, were addressed. Whilst printing the November, 2015 Transmission Service (TS) Bills in December, 2015, twenty-six (26) out of the thirty (30) Customer Bills were verified and printed from the software.

Though the new billing software was scheduled to be implemented in January, 2016 the latest PURC announcement for tariff adjustments, which took effect from December 14, 2015 introduced new charges to be used in billing Bulk Customers. This, therefore required further updates to the software.

Phase 2 of the project will involve the deployment of an interactive platform to enable staff instantly share ideas and knowledge...

WHOLESALE ELECTRICITY MARKET - ONLINE DATA EXCHANGE

The Data Exchange Phase, which is the development of an online data exchange facility, forms part of the introductory stages of the implementation of the Wholesale Electricity Market.

When implemented, the Data Exchange Phase will replace the current procedure, where Market Participants submit their Demand Forecasts and Availability Declarations to GRIDCo via e-mail.

SYSTEM ALARMS & MEASURANDS PUBLISHER (SAMP)

The SAMP is a system, which includes an android application for the provision of real time system information on the Transmission System (NITS).

The System Measurands Publisher (SMP), which is a subset of the System Alarms & Measurands Publisher (SAMP) was successfully rolled out, and has currently been installed, on about one hundred and seventy (170) mobile devices for various Stakeholders.

The System Alarms Publisher (SAP), which provides alerts on events and alarms on the (NITS) was under test. Synchronisation of Relays to Global Positioning System (GPS). We have initiated a programme to synchronise all protection relays to the GPS in order to provide a common time reference to aid in the analysis of events during system disturbances.

A series of tests were conducted in respect to this programme. Four substations are expected to be synchronised to the GPS by the end of 2016.

KNOWLEDGE MANAGEMENT (KM) PORTAL

The KM Portal is expected to host and provide the platform of sharing ideas and knowledge among staff. By the end of 2015, the first phase of the portal was about ninety percent (90%) completed.

Phase 2 of the project will involve the deployment of an interactive platform to enable staff instantly share ideas and knowledge whilst Phase 3 will involve the deployment of in-house e-learning materials.

DECONGESTION AND CLASSIFICATION OF DOCUMENTS IN GRIDCO

We contracted the Public Records and Archives Administration Department (PRAAD) to assist us decongest and classify various official documents. They were also required to train staff in the proper classification and filing of documents. At the end of 2015, PRAAD had trained two hundred and forty seven (247) staff in Records Management.

The decongestion and classification exercise for the Legal Services Department has been completed whilst that of the Engineering Department was in progress.

DOCUMENT MANAGEMENT SOFTWARE

GRIDCo is sourcing for a document management system to aid in the management and access of documents. Various proposals are being considered, including off-the-shelf commercial software, acquiring software from other sister organisations or development of in-house software to manage the documentation system.

COMPUTERISED MAINTENANCE MANAGEMENT SYSTEM (CMMS)

A CMMS is being procured to provide comprehensive support for asset maintenance, as well as resource and spare parts management. The CMMS would enable users to capture, analyse and display assets and work orders. It will also provide remote access from all mobile devices for work, asset and inventory management. A tendering process was duly conducted, but bids received far exceeded the budgeted amount for the project. The project scope is therefore, being reviewed for a fresh tender to be launched.

The CMMS would enable users to capture, analyse and display assets and work orders. It will also provide remote access from all mobile devices for work, asset and inventory management.

2015 MONTHLY ENERGY TRANSMITTED (MWH)

CUSTOMER LOADS	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT.	OCTOBER	NOVEMBER	DECEMBER	TOTAL
E C G	624.639	540.168	589.016	654.650	666.958	590.330	544.353	623.245	641.624	691.817	669.839	707.357	7,543.996
MINES	115.237	91.953	97.632	96.341	101.763	100.074	105.146	111.499	108.360	102.874	98.580	101.655	1,231.114
S. ASOGLI PLANT	0.014	0.004	0.006	0.005	0.065	0.002	0.006	0.023	0.005	0.003	0.000	0.005	0.138
ATL	0.736	0.857	0.834	0.649	0.632	0.742	0.740	0.216	0.681	0.606	0.580	0.365	7.637
VRA TOWNSHIPS (AK'BO,AKUSE, ETC)	3.546	3.728	4.238	3.769	4.140	3.595	5.718	6.832	6.024	7.156	7.792	6.973	63.509
ALUWORKS	0.681	0.689	0.662	0.766	0.687	0.686	0.609	0.682	0.437	0.494	0.580	0.576	7.548
DIAMOND CEMENT	3.780	3.427	4.625	4.503	4.593	4.086	4.517	4.479	4.029	4.279	3.477	3.584	49.379
ENCLAVE POWER COMPANY	8.307	7.819	8.575	8.158	8.781	8.409	8.650	8.876	7.630	8.694	9.604	8.862	102.365
SAVANA DIAMOND CEMENT	2.018	2.146	2.460	2.329	1.937	2.403	2.250	1.811	1.982	1.054	1.943	2.257	24.590
NED	81.181	78.495	89.444	88.275	85.839	83.035	82.204	79.442	81.183	89.474	90.290	83.701	1,012.563
VALCO	49.682	41.865	44.252	43.583	45.818	46.496	45.788	50.653	49.842	50.427	50.951	53.529	572.886
TV3	0.010	0.009	0.010	0.011	0.010	0.010	0.009	0.009	0.009	0.009	0.008	0.009	0.113
BUI POWER AUTHORITY	0.294	0.199	0.318	0.323	0.323	0.215	0.254	0.274	0.242	0.213	0.234	0.268	3.157
CENIT	0.004	0.041	0.044	0.000	0.023	0.040	0.091	0.092	0.029	0.013	0.077	0.081	0.535
GHANA WATER COMPANY LIMITED	1.405	1.557	1.792	1.412	3.365	3.444	3.328	3.259	3.156	3.283	3.160	3.655	32.816
TOTAL DOMESTIC ENERGY TRANSMITTED (GWH)	891.533	771.150	841.743	903.029	921.213	839.858	799.980	887.757	901.796	956.879	933.635	968.864	10,652.346
EXPORTS TRANSMITTED (GWH)													
CEB (FROM VRA)	43.670	31.120	44.586	42.162	42.541	38.901	36.547	38.070	37.916	46.174	42.803	53.548	498.038
CEB (WHEELED)	2.578	9.088	0.000	0.000	0.626	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.292
SONABEL	1.322	1.115	1.416	1.431	1.449	0.972	0.926	0.932	0.903	1.084	1.016	0.954	13.519
SONABEL (YOUGA MINES)	3.029	3.198	3.551	3.439	3.587	3.506	3.448	3.262	3.341	3.345	3.248	3.398	40.351
TOTAL EXPORT TRANSMITTED	50.599	44.522	49.553	47.031	48.203	43.379	40.921	42.264	42.159	50.603	47.067	57.899	564.200
TOTAL ENERGY SUPPLIED TO CUSTOMERS (Total Domestic Transmission + Total Export Transmitted)	942.132	815.672	891.296	950.060	969.416	883.237	840.902	930.021	943.955	1,007.483	980.703	1,026.762	11,216.546
EXPORT (TRANSMITTED) - OTHER (GWH)													
INADVERTENT EXPORT TO CIE	0.000	0.000	2.715	2.311	2.379	2.533	1.153	0.573	1.332	0.722	0.450	0.982	15.149
EXPORT TO CIE	8.480	11.555	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.035
TOTAL EXPORT TRANSMITTED - OTHER (GWH)	8.480	11.555	2.715	2.311	2.379	2.533	1.153	0.573	1.332	0.722	0.450	0.982	35.184
TOTAL CONSUMPTION (Total Energy Supplied to Customers + Transmitted Other)	950.612	827.227	894.011	952.371	971.795	885.770	842.054	930.594	945.286	1,008.205	981.152	1,027.744	11,251.730
GRAND TOTAL ENERGY EXPORTED	59.07901	56.07662	52.26800	49.34180	50.58232	45.91196	42.07421	42.83637	43.49029	51.32545	47.51700	58.88079	599.384
NET GENERATION	966.300	835.609	927.623	981.677	999.521	912.191	857.672	943.740	971.113	1,009.796	1,003.215	1,048.012	11,456.469
IMPORT FROM CEB	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL WHEELED	2.578	9.088	0.000	0.000	0.626	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.292
INADVERTENT IMPORT FROM C.I.E	10.790	0.000	6.827	8.081	9.681	9.085	10.790	16.168	12.820	9.673	22.437	17.852	134.204
TOTAL IMPORT FROM CIE	3.634	2.744	0.197	0.000	6.896	2.266	11.794	15.190	4.010	38.060	0.331	3.920	89.041
TOTAL ENERGY TRANSMITTED	983.302	847.441	934.647	989.758	1,016.724	923.542	880.256	975.099	987.943	1,057.529	1,025.983	1,069.784	11,692.005

ENGINEERING PROJECTS

COMPLETED PROJECTS

EXPANSION OF ACCRA EAST SUBSTATION (ACCRA THIRD BULK SUPPLY POINT (PHASE 2)

Expansion works (phase 2) of the Accra Third Bulk Supply Point (A3BSP or Accra East Substation) involving the installation of two (2) additional 50/66 MVA transformers (which commenced in late 2014) was completed and energized in April, 2015. The completion of the project increased the number of transformers at the station to four (4no).

161KV SMELTER II – TEMA KARPOWERSHIP TRANSMISSION LINE

Acting through the Ministry of Power, the Government of Ghana (GoG) initiated the procurement of the Karpowership barge to address the generation shortfall, which the country was experiencing at that time. GRIDCo assisted in the construction of the 161KV transmission line from the Karpowrship barge to GRIDCo's Smelter II Substation in order to evacuate the power from the barge into the national grid.

CONSTRUCTION OF 330 KV VOLTA-TORNU TRANSMISSION LINE

This line forms the Ghana section of the Ghana-Togo-Benin Interconnection segment of the WAPP Coastal Backbone Transmission line. The Ghana Section was energized in November, 2015 but the Togo Section of the line is yet to be completed.

PROJECTS COMMENCED

BOLGATANGA –OUAGADOUGOU 225KV INTERCONNECTION LINE

This project which is to facilitate power export from Ghana to Burkina Faso involves the construction of a 225KV transmission line from Bolgatanga in Ghana to Ouagadougou in Burkina Faso. The contracts for the construction of the line and the take-off substation near Navrongo were awarded.

PRESTEA-KUMASI POWER ENHANCEMENT PROJECT

This project involves the construction of a 330KV transmission line from Prestea to Kumasi. When completed, the project will improve

power transfer capability from the Aboadze Generation Enclave, to the Central and Northern Belts of Ghana.

ONGOING PROJECTS

ABOADZE-PRESTEA 330 KV TRANSMISSION LINE PROJECT

The Aboadze – Prestea 330 kV Line forms part of the 330kV Central Backbone of the transmission system and was about 30% completed. The Project which was initially scheduled for completion in August, 2016, however encountered some challenges and is now rescheduled to be completed in July, 2017.

TUMU-HAN-WA TRANSMISSION LINE PROJECT

This project which seeks to improve upon the reliability of power supply to the Northern parts of the country involves the construction of a 161 kV transmission line, linking Tumu–Han–Wa.

330 KV KUMASI-BOLGATANGA TRANSMISSION LINE

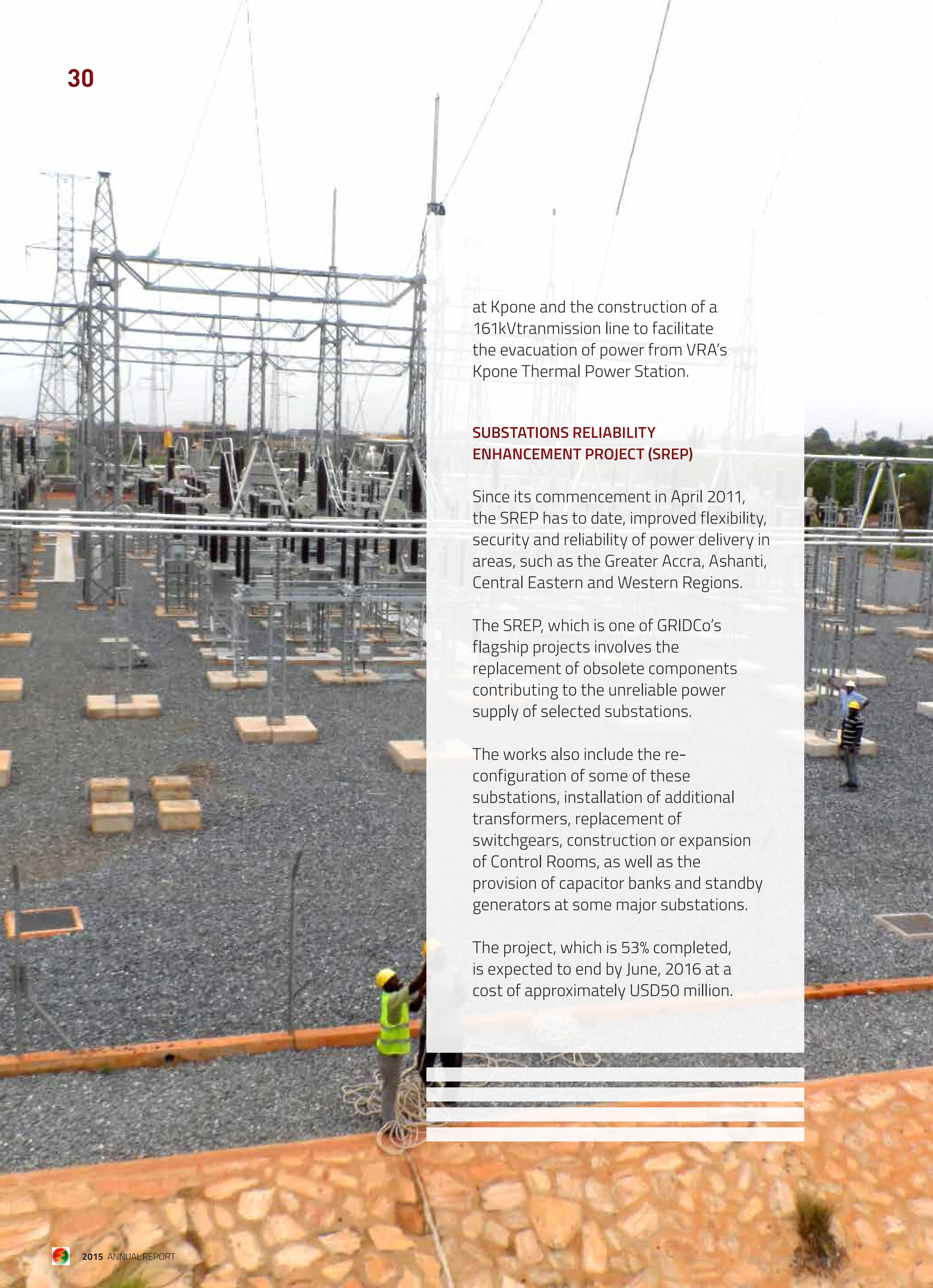
The project involves the construction of approximately 550km of 330 kV transmission line from Kumasi to Bolgatanga and associated substation works at Kintampo, Tamale and Bolgatanga. When completed, the project will provide capability of the grid to export at least 100MW of power to Burkina Faso. The bids were received and evaluation was almost completed for the Contracts to be awarded in the first quarter of 2016.

KPANDO-KADJEBI POWER PROJECT

The project scope involves extending the 69kv supply from Kpando Substation to Kadjebi and the construction of a 69/34.5kv Substation at Kadjebi. The project will improve the reliability of power delivery to Electricity Company of Ghana (ECG) in the northern parts of the Volta Region.

KPONE POWER EVACUATION PROJECT

This project involves the turn-key construction of a 161/34.5 kV Substation



at Kpone and the construction of a 161kVtranmission line to facilitate the evacuation of power from VRA's Kpone Thermal Power Station.

SUBSTATIONS RELIABILITY ENHANCEMENT PROJECT (SREP)

Since its commencement in April 2011, the SREP has to date, improved flexibility, security and reliability of power delivery in areas, such as the Greater Accra, Ashanti, Central Eastern and Western Regions.

The SREP, which is one of GRIDCo's flagship projects involves the replacement of obsolete components contributing to the unreliable power supply of selected substations.

The works also include the re-configuration of some of these substations, installation of additional transformers, replacement of switchgears, construction or expansion of Control Rooms, as well as the provision of capacitor banks and standby generators at some major substations.

The project, which is 53% completed, is expected to end by June, 2016 at a cost of approximately USD50 million.

AUDITED FINANCIAL **STATEMENTS**

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 December 2015, which disclose the state of affairs of Ghana Grid Company Limited ("the Company").

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

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

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

PRINCIPAL ACTIVITIES

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

RESULTS

The directors in submitting to the shareholders the financial statements of the Company for the year ended 31 December 2015 report as follows:

	GH¢'000
Profit before income tax for the year is	**78,636**
from which is deducted income tax expense of	**(33,839)**
giving a profit for the year of	**44,797**
to which is added income surplus account balance brought forward of	**504,864**
giving a balance of	**549,661**
to which is added transfer from revaluation reserve account of	**81,167**
leaving a surplus carried forward on income surplus account of	**630,828**

REPORT OF THE DIRECTORS (CONTINUED)

DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2015 (2014: GH¢ Nil).

AUDITOR

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

By order of the board

………………………………………	………………………………………
Alhaji Huudu Yahaya	**Ing. William Amuna**
Board Chairman	Chief Executive

Date: 11th July, 2016

REPORT OF THE INDEPENDENT AUDITOR
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 set out on pages 36 to 75. These financial statements comprise the statement of financial position as at 31 December 2015 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 1963 (Act 179) and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S 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 about 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 judgement, 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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 accompanying financial statements give a true and fair view of the financial position of Ghana Grid Company Limited as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF GHANA GRID COMPANY LIMITED (CONTINUED)

REPORT ON OTHER LEGAL REQUIREMENTS

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

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii. in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
iii. the Company's balance sheet (statement of financial position) and profit and loss account (income statement) are in agreement with the books of account.

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2016/028)
Chartered Accounts
Signed by: George Kwesi Arhin (ICAG/P/1187)
Accra, Ghana
11 July 2016

INCOME STATEMENT
(All amounts are in thousands of Ghana cedis)

	Note	2015	2014
		Year ended 31 December	
Revenue	5	**472,345**	395,941
Direct costs	6	**(260,330)**	(247,900)
Gross profit		**212,015**	148,041
Other income	7	**43,039**	64,298
General and administrative expenses	8	**(75,542)**	(72,796)
Operating profit		**179,512**	139,543
Finance costs	9	**(101,159)**	(124,803)
Finance income	10	**283**	6,504
Profit before income tax		**78,636**	21,244
Income tax expense	11	**(33,839)**	(62,747)
Profit/(loss) for the year		**44,797**	**(41,503)**

The notes on pages 43 to 75 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis)

		Year ended 31 December	
	Note	**2015**	**2014**
Profit/(loss) for the year		**44,797**	(41,503)
Other comprehensive income:			
Items that will not be classified to profit or loss:			
Gains on revaluation of property, plant and equipment and intangible assets	12	**305,544**	555,747
Deferred tax charge on gains on revaluation	11	**(75,195)**	(78,499)
Total comprehensive income for the year		**275,146**	435,745

The notes on pages 43 to 75 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana cedis)

		As at 31 December	
	Note	**2015**	2014
ASSETS			
Non-current assets			
Intangible assets	13	**207**	-
Property, plant and equipment	12	**3,018,609**	2,490,352
Loans and receivables	14	**10,174**	10,232
Total non-current assets		**3,028,990**	2,500,584
Current assets			
Inventories	15	**19,416**	14,988
Trade and other receivables	16	**457,087**	354,904
Cash and cash equivalents (excluding bank overdraft)	17	**157,403**	161,327
Total current assets		**633,906**	531,219
Total assets		**3,662,896**	3,031,803

The notes on pages 43 to 75 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

(All amounts are in thousands of Ghana cedis)

		As at 31 December	
	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Stated capital	18	**350,922**	350,922
Income surplus account	19	**630,828**	504,864
Revaluation reserve account	20	**1,030,025**	880,843
Total equity		**2,011,775**	1,736,629
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	11	**449,157**	380,487
Borrowings	21	**701,927**	627,295
Deferred donor support	24	**3,724**	-
Total non-current liabilities		**1,154,808**	1,007,782
Current liabilities			
Trade and other payables	22	**233,795**	175,520
Current income tax liabilities	11	**96,229**	58,186
Borrowings (excluding bank overdraft)	21	**160,504**	51,036
Bank overdraft	17	**5,785**	2,650
Total current liabilities		**496,313**	287,392
Total liabilities		**1,651,121**	1,295,174
TOTAL EQUITY AND LIABILITIES		**3,662,896**	3,031,803

The notes on pages 43 to 75 are an integral part of these financial statements.

The financial statements on pages 36 to 75 were approved by the Board of Directors on 11th July, 2016 and signed on their behalf by:

……………………………… ………………………………

Alhaji Huudu Yahaya **Ing. William Amuna**
Board Chairman Chief Executive

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana cedis)

	Stated capital	Income Surplus account	Revaluation reserve surplus	Total
Year ended 31 December 2015				
Balance at 1 January 2015	350,922	504,864	880,843	1,736,629
Profit for the year	-	44,797	-	44,797
Other comprehensive income:				
Gain on revaluation of property, plant and equipment (note 12) and intangible assets (note 13)	-	-	305,544	305,544
Deferred tax on gain on revaluation of property, plant and equipment (note 11)	-	-	(75,195)	(75,195)
Transfer from revaluation reserve surplus (note 12)	-	81,167	(81,167)	-
Total comprehensive income	-	125,964	149,182	275,146
Balance at 31 December 2015	**350,922**	**630,828**	**1,030,025**	**2,011,775**
Year ended 31 December 2014				
Balance at 1 January 2014	350,922	491,340	458,622	1,300,884
Loss for the year	-	(41,503)	-	(41,503)
Other comprehensive income:				
Gain on revaluation of property, plant and equipment (note 12) and intangible assets (note 13)	-	-	555,747	555,747
Deferred tax on gain on revaluation of property, plant and equipment and intangible assets (note 11)	-	-	(78,499)	(78,499)
Transfer from revaluation reserve surplus (note 12)	-	55,027	(55,027)	-
Total comprehensive income	-	13,524	422,221	435,745
Balance at 31 December 2014	350,922	504,864	880,843	1,736,629

The notes on pages 43 to 75 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis)

	Year ended 31 December	
	2015	2014
Cash flows from operating activities		
Operating profit before tax	**78,636**	21,244
Adjusted for:		
Depreciation of property, plant and equipment (note 12)	**99,667**	79,343
Amortisation of intangible assets (note 13)	**5**	90
Exchange difference on borrowings (note 21)	**84,828**	113,350
Interest expense (note 9)	**16,331**	11,453
Interest income on call accounts (note 10)	**(283)**	(6,504)
Write-off of property, plant and equipment (note 12)	**845**	-
Working capital adjustments:		
Increase in inventories	**(4,428)**	(5,311)
Decrease/(increase) in non-current receivables	**58**	(656)
Increase in trade and other receivables	**(102,183)**	(112,759)
Increase in trade and other payables	**58,275**	105,438
Tax paid	**(2,321)**	(2,000)
Net cash generated from operating activities	**229,430**	203,688
Cash flows from investing activities		
Interest received on call accounts (note 10)	**283**	4,245
Purchase of property, plant and equipment (note 12)	**(323,255)**	(391,093)
Purchase of intangible assets (note 13)	**(182)**	-
Net cash used in investing activities	**(323,154)**	(386,848)
Cash flows from financing activities		
Proceeds from donor support (note 24)	**3,724**	-
Proceeds from borrowings (note 21)	**249,712**	326,711
Repayment of borrowings (note 21)	**(150,440)**	(93,447)
Interest expense paid	**(16,331)**	(11,453)
Net cash generated from financing activities	**86,665**	221,811
Net increase in cash and cash equivalents	**(7,059)**	38,651
Cash and cash equivalents at beginning of year	**158,677**	120,026
Cash and cash equivalents at end of year (note 17)	**151,618**	158,677

The notes on pages 43 to 75 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

Ghana Grid Company Limited (GRIDCO) ("the Company") is incorporated in Ghana as a limited liability company under the Companies Act, 1963 (Act 179) and is domiciled in the Republic of Ghana. The address of its registered office is P. O. Box CS7979, Tema. The principal activity of the Company is transmission of electricity and commercial telecommunication services.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

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

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

2.1.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(i) New and amended standards adopted by the Company:

There were no new IFRS's and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 that would be expected to have an impact on the Company's financial statements.

(ii) New standards, amendments and interpretations not yet adopted by the Company:

A number of new standards and amendments to standards and interpretations are available for early adoption for annual periods beginning after 1 January 2015, but have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

(ii) New standards, amendments and interpretations not yet adopted by the Company (Continued):

It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss (P&L). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The directors are yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The directors are yet to assess the impact of IFRS 15.

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:

- **Materiality** – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

(ii) New standards, amendments and interpretations not yet adopted by the Company (Continued):

- **Disaggregation and subtotals** – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- **Notes** – confirmation that the notes do not need to be presented in a particular order.
- **OCI arising from investments accounted for under the equity method** – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments. The amendments are effective 1 January 2016.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.2 FOREIGN CURRENCY TRANSLATION

2.2.1 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.2.2 TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relates to cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

2.3 RECOGNITION OF INCOME

2.3.1 TRANSMISSION SERVICE CHARGE

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 RECOGNITION OF INCOME (CONTINUED)

2.3.2 INTEREST INCOME

Revenue is recognised when the right to receive the interest is established.

2.3.3 FIBRE OPTIC MAINTENANCE INCOME

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

2.4 CURRENT AND DEFERRED INCOME TAX

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company and its subsidiary operate and generate taxable income. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 EMPLOYEE BENEFITS

2.5.1 DEFINED CONTRIBUTION PLANS

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

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

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

2.5.2 TERMINATION BENEFITS

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

2.5.3 BONUS

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

2.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are shown at fair value, based on valuations by management on a monthly basis and by external independent valuers every five years, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and depreciation based on the asset's original cost is transferred from 'revaluation reserves' to 'income surplus account'.

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

Asset class	Useful Life (years)
Transmission asset	30 - 45
Leasehold land	Over the life of the lease
Building	40
Motor vehicles	4 -10
Computer	4 - 5
Equipment and other miscellaneous assets	4 - 8

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.8).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

2.7 INTANGIBLE ASSETS

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

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 INVENTORIES

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

2.10 TRADE RECEIVABLES

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

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

2.11 CASH AND CASH EQUIVALENTS

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

2.12 STATED CAPITAL

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

2.13 BORROWINGS

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

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

2.14 BORROWING COST

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 BORROWING COST (CONTINUED)

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

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

2.15 TRADE PAYABLES

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

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

2.16 PROVISION

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

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

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

2.17 FINANCIAL ASSETS

2.17.1 CLASSIFICATION

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 FINANCIAL ASSETS (CONTINUED)

2.17.1 CLASSIFICATION (CONTINUED)

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

2.17.2 RECOGNITION AND MEASUREMENT

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

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

2.17.3 OFFSETTING OF FINANCIAL INSTRUMENTS

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

2.17.4 IMPAIRMENT OF FINANCIAL ASSETS

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 FINANCIAL ASSETS (CONTINUED)

2.17.4 IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

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

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

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

2.18 FINANCIAL LIABILITIES

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

2.19 GOVERNMENT GRANTS AND DONOR SUPPORT

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

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

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

2.20 LEASES

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 LEASES (CONTINUED)

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

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

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

3.1.1 MARKET RISK

3.1.1.1 FOREIGN CURRENCY RISK

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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

At 31 December 2015, if the cedi had strengthened/weakened by 10% against the US dollar with all other variables held constant, the recalculated post-tax profit for the year would have been GH¢58.956 million (2014: GH¢27.149 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated trade receivables, cash and cash equivalents and borrowings. Profit is more sensitive to movement in cedi/US dollar exchange rates in 2015 than 2014 because of the increased amount of US dollar-denominated borrowings and significant depreciation of the cedi against the US dollar.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

3.1.1 MARKET RISK (CONTINUED)

3.1.1.2 CASH FLOW AND FAIR VALUE INTEREST RATE RISK

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

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift.

For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At 31 December 2015, if interest rates on cedi denominated borrowings had been 10 basis points higher/lower with all other variables held constant, the calculated post-tax profit for the year would have been GH¢146.251 million (2014: GH¢313.331 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31 December 2015, if interest rates on foreign denominated borrowings (Euro and US dollar) had been 10 basis points higher/lower with all other variables held constant, the calculated post-tax profit for the year would have been GH¢999.01 million (2014: GH¢757.731 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

3.1.2 CREDIT RISK

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

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

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

3.1.2 CREDIT RISK (CONTINUED)

EXPOSURE TO CREDIT RISK

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:

	2015	2014
Trade receivables	**452,844**	347,205
Other receivables (excluding prepayment)	**1,454**	3,472
Cash and cash equivalents	**157,403**	161,327
	611,701	512,004

88.74% of the Company's trade receivables are due from:

	2015	2014
Electricity Company of Ghana Limited	**75.22%**	61.18%
Volta Aluminium Company Limited	**17.01%**	13.86%
Northern Electricity Distribution Limited	**-**	7.86%

80.87% of the cash and cash equivalents are held by:

	2015	2014
Ecobank Ghana Limited	**19.37%**	33.80%
Societe General Ghana Limited	**4.27%**	6.99%
Barclays Bank PLC	**44.06%**	32.28%
Ghana International Bank	**3.13%**	-
Rand Merchant Bank	**10.03%**	-

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

3.1.3 LIQUIDITY RISK

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

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

As at 31 December 2015	**Carrying amount**	**Less than 1 year**	**1-2 years**	**2-5 years**	**Above 5 years**
Trade and other payables	296,197	296,197	-	-	-
Borrowings	862,431	160,504	233,068	380,974	87,885
Bank overdraft	5,785	5,785	-	-	-
	1,109,873	**462,486**	**233,068**	**380,974**	**87,885**

As at 31 December 2014	Carrying amount	Less than 1 year	1-2 years	2-5 years	Above 5 years
Trade and other payables	175,520	175,520	-	-	-
Borrowings	678,331	51,036	79,692	137,312	410,291
Bank overdraft	2,650	2,650	-	-	-
	856,501	229,206	79,692	137,312	410,291

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 CAPITAL MANAGEMENT

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

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

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

During 2015, the Company's strategy, which was unchanged from 2014, was to maintain the gearing ratio within 1% to 2%.

	2015	2014
Total borrowings including bank overdraft (note 21)	**868,216**	680,981
Less: cash and cash equivalents (note 17)	**(157,403)**	(154,410)
Net debt	**710,813**	526,571
Total equity	**2,011,775**	1,736,629
Total capital	**2,722,588**	2,263,200
Gearing ratio	**26%**	23%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

See note 12 for disclosures of property, plant and equipment that are measured using the revaluation model.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

4.1.1 INCOME TAX

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

Where the actual outcome (on the judgement areas) of expected cash flows differ by 10% from management's estimates, the Company would need to increase/(decrease) the income tax liability by GH¢2.059 million (2014: GH¢1.547 million).

4.1.2 FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

On a monthly basis management determine the fair value of the Company's property and equipment using indexation. Valuation by an external valuer is done every five years, with the most recent being in 2011. The most significant inputs used are US urban index for general price level and the Ghana cedi/United States dollar exchange rate. A 10% increase in the inputs will result in an additional revaluation gain of GH¢4.520 million (2014: GH¢55.575 million).

4.2 CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

No critical judgement was made in applying the entity's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of Ghana cedis unless otherwise stated)

5. REVENUE

	2015 GWH	2014 GWH	2015 Amount	2014 Amount
Transmission income	**11,225**	13,071	**472,345**	395,941
Sub-station usage	**7**	13	**-**	-
Transmission loss	**443**	565	-	-
			472,345	395,941

6. DIRECT EXPENSES

	2015	2014
Staff cost	**76,194**	68,781
Materials and spares consumed	**2,544**	7,650
Maintenance and other direct cost	**22,502**	22,846
Depreciation of property, plant and equipment (note 12)	**92,180**	72,992
Write-off of property, plant and equipment (note 12)	**845**	-
Transmission loss	**66,065**	75,631
	260,330	247,900

7. OTHER INCOME

	2015	2014
Fibre optic maintenance income	**1,231**	1,067
Exchange gain	**41,541**	61,095
Miscellaneous income	**267**	2,136
	43,039	64,298

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of Ghana cedis unless otherwise stated)

8. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
Directors emoluments	**275**	230
Staff cost	**45,524**	35,221
Materials and spares consumed	**1,083**	3,569
Other administrative cost	**18,518**	20,305
Depreciation of property, plant and equipment (note 12)	**7,487**	6,351
Provision for bad debt	**2,509**	6,930
Amortisation of intangible assets (note 13)	**5**	90
Auditors remuneration	**141**	100
	75,542	72,796
Staff cost for the year include:		
Wages and salaries and other termination benefits	**106,977**	91,408
Employers share of pension cost	**14,741**	12,594
	121,718	104,002
Allocation of staff cost:		
Staff cost allocated to direct cost (note 6)	**76,194**	68,781
Staff cost allocated to general and admin. expenses (note 8)	**45,524**	35,221

The total number of staff employed by the Company by the end of the year was 900 (2014: 863).

9. FINANCE COSTS

	2015	2014
Interest on loans and overdrafts	**16,331**	11,453
Exchange loss on borrowings (note 21)	**84,828**	113,350
	101,159	124,803

10. FINANCE INCOME

	2015	2014
Interest income	**283**	6,504

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

11. INCOME TAX

(I) INCOME TAX EXPENSE

	2015	2014
Current Income tax	**40,364**	22,001
Deferred tax charge	**(6,525)**	40,746
Total	**33,839**	**62,747**

Year ended 31 December 2015

	Balance 1 January	Charge to income statement	Payment during the year	Balance 31 December
Year of assessment:				
2008 to 2015	58,186	-	-	**58,186**
2015	-	40,364	(2,321)	**38,043**
Total	58,186	40,364	(2,321)	**96,229**

Year ended 31 December 2014

	Balance 1 January	Charge to income statement	Charge for the year	Balance 31 December
Year of assessment:				
2008 to 2014	38,185	-	(2,000)	36,185
2014	-	22,001	-	22,001
Total	38,185	22,001	(2,000)	58,186

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

11. INCOME TAX (CONTINUED)

(I) INCOME TAX EXPENSE (CONTINUED)

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

	2015	2014
Profit before income tax	**78,636**	21,244
Corporate tax rate	**25%**	25%
Income tax using the corporate tax rate of 25%	**19,659**	5,311
Adjusted for tax effect of:		
Expenses not deductible for tax purposes	**14,180**	20,592
Losses not carried forward for tax purposes	**-**	36,844
Income tax expense	**33,839**	62,747

(II) DEFERRED INCOME TAX LIABILITIES

	2015	2014
Balance as at 1 January	**380,487**	261,242
(Credit)/charge to income statement	**(6,525)**	40,746
Charge to equity	**75,195**	78,499
Balance as at 31 December	**449,157**	380,487

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

11. INCOME TAX (CONTINUED)

(II) DEFERRED INCOME TAX LIABILITIES (CONTINUED)

Year ended 31 December 2015

	At 1 January	**Charged/ (credit) to income statement**	**Charged to equity**	**At 31 December**
Deferred tax assets arising from:				
Other deductible temporary difference	95,535	(6,525)	-	**89,010**
Revaluation surplus on properties	284,952	-	75,195	**360,147**
	380,487	**(6,525)**	**75,195**	**449,157**

Year ended 31 December 2014

	At 1 January	Charged/ (credit) to income statement	Charged to equity	At 31 December
Deferred tax assets arising from:				
Other deductible temporary difference	54,789	40,746	-	95,535
Revaluation surplus on properties	206,453	-	78,499	284,952
	261,242	40,746	78,499	380,487

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of Ghana cedis unless otherwise stated)

12. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2015

	Transmission assets	Freehold land	Leasehold land	Buildings	Motor vehicles	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
Cost/Valuation									
Balance as at 1 January 2015	2,519,641	16,129	25,817	106,636	89,743	3,462	3,288	842,004	**3,606,720**
Write-off	(2,838)	-	-	-	(73)	-	-	-	**(2,911)**
Gross revaluation adjustment	606,983	-	-	24,073	21,516	734	682	-	**653,988**
Additions	8,121	-	-	8,180	9,145	120	669	297,020	**323,255**
Balance as at 31 December 2015	**3,131,907**	**16,129**	**25,817**	**138,889**	**120,331**	**4,316**	**4,639**	**1,139,024**	**4,581,052**
Depreciation									
Balance as at 1 January 2015	1,040,545	-	3,533	11,944	56,557	2,436	1,353	-	**1,116,368**
Write-off	(2,032)	-	-	-	(34)	-	-	-	**(2,066)**
Gross revaluation adjustment	331,551	-	-	2,898	13,173	542	310	-	**348,474**
Charge for the year	77,189	-	1,178	3,479	16,748	581	492	-	**99,667**
Balance as at 31 December 2015	**1,447,253**	**-**	**4,711**	**18,321**	**86,444**	**3,559**	**2,155**	**-**	**1,562,443**
Net book value									
At 31 December 2015	**1,684,654**	**16,129**	**21,106**	**120,568**	**33,887**	**757**	**2,484**	**1,139,024**	**3,018,609**
At 31 December 2014	1,479,096	16,129	22,284	94,692	33,186	1,026	1,935	842,004	2,490,352

Analysis of depreciation charged to the income statements:	**2015**	2014
Included in cost of sales (note 6) – depreciation of transmission and other related assets	**92,180**	72,992
Included in general and administrative expense (note 8)	**7,487**	6,351
Total depreciation charge for the year	**99,667**	79,343

(All amounts are in thousands of Ghana cedis unless otherwise stated)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Year ended 31 December 2014

	Transmission assets	Freehold Land	Leasehold Land	Buildings	Motor vehicles	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
Cost/Valuation									
Balance as at 1 January 2014	1,428,515	16,129	25,817	66,378	60,101	2,091	1,970	453,328	2,054,329
Disposal	(4,107)	-	-	-	-	-	-	-	(4,107)
Transfers	-	-	-	-	1,690	-	-	(1,690)	-
Gross revaluation adjustment	1,094,924	-	-	40,218	27,896	1,245	1,122	-	1,165,405
Additions	309	-	-	40	56	126	196	390,366	391,093
Balance as at 31 December 2014	2,519,641	16,129	25,817	106,636	89,743	3,462	3,288	842,004	3,606,720
Depreciation									
Balance as at 1 January 2014	399,511	-	2,356	4,961	23,103	964	553	-	431,448
Disposal	(508)	-	-	-	-	-	-	-	(508)
Gross revaluation adjustments	581,435	-	-	4,332	19,133	742	443	-	606,085
Charge for the year	60,107	-	1,177	2,651	14,321	730	357	-	79,343
Balance as at 31 December 2014	1,040,545	-	3,533	11,944	56,557	2,436	1,353	-	1,116,368
Net book amount									
At 31 December 2014	1,479,096	16,129	22,284	94,692	33,186	1,026	1,935	842,004	2,490,352

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

A revaluation of the Company's property, plants and equipment and intangible assets was performed to determine their fair values as at 31 December 2015 and 2014. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserves' in shareholders equity. Set out below are the hierarchy for classifying valuation inputs:

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

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

VALUATION PROCESSES OF THE COMPANY

On a monthly basis management determine the fair value of the Company's property and equipment using the indexation method. Valuation by an external valuer is done every five years, with the most recent being in 2011.

13. INTANGIBLE ASSETS

Software

	2015	2014
Cost/valuation		
Balance as at 1 January	-	492
Additions	182	-
Gross revaluation adjustment	170	245
At 31 December	352	737
Amortisation		
Balance as at 1 January	-	427
Gross revaluation adjustment	140	220
Charge for the year	5	90
At 31 December	145	737
Net book value		
At 31 December	**207**	-

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

14. LOANS AND RECEIVABLES

	2015	2014
	10,174	10,232

Represents various loans granted to staff with duration of between five and ten years.

15. INVENTORIES

	2015	2014
Stores and spare parts	**19,416**	14,988

16. TRADE AND OTHER RECEIVABLES

	2015	2014
Gross trade receivables	**460,044**	355,218
Impairment of trade receivables	**(7,200)**	(8,013)
Net trade and other receivables	**452,844**	347,205
Fibre optic maintenance debtor	**443**	851
Prepaid expenses	**2,789**	4,227
Staff advances	**1,011**	2,621
	457,087	354,904

Out of the gross trade receivables of GH¢460.044 million (2014: GH¢355.218 million) GH¢416.507 million (2014: GH¢ 314.09 million) is due from related parties (note 23).

The maximum amount of staff loans during the year did not exceed GH¢10.174 million (2014: GH¢10.232 million).

All trade debtors and other receivables (excluding prepayments) set out in note 16 are current and their carrying amounts approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of Ghana cedis unless otherwise stated)

17. CASH AND CASH EQUIVALENTS

	2015	2014
Call account	393	4,364
Cash at banks and on hand	157,010	156,963
	157,403	161,327

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

	2015	2014
Cash and cash equivalents	157,403	161,327
Bank overdraft	(5,785)	(2,650)
	151,618	158,677

Included in cash and cash equivalents is GH¢57.88 million (2014: GH¢141.36 million) representing amounts held in debt service reserve accounts to service the Company's debt facilities.

18. ISSUED CAPITAL

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

	2015	2014
ORDINARY:		
Authorized	10,000,000	10,000,000
Issued	10,000,000	10,000,000
ii. Proceeds from the issued shares are as follows:		
ORDINARY SHARES:		
Issued for cash	1	1
Consideration other than cash	350,921	350,921
Total	350,922	350,922

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

19. INCOME SURPLUS ACCOUNT

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

20. REVALUATION RESERVE ACCOUNT

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

21. INTEREST BEARING LOANS AND BORROWINGS

	2015	2014
Loans due within one year	**160,504**	51,036
Loans falling due after one year		
Loans due within two and five years	**614,042**	217,005
Over five years	**87,885**	410,290
	701,927	627,295
Total borrowings	**862,431**	678,331

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of Ghana cedis unless otherwise stated)

21. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Year ended 31 December 2015

Lender	At start of year	Drawdowns	Repayment	Exchange difference	At end of year
Newmont Ghana Ltd	12,937	-	(9,904)	2,341	5,374
CAL Bank	14,139	510	(16,227)	1,578	-
Rand Merchant Bank	45,183	-	(7,074)	7,813	45,922
Standard Chartered Bank	33,723	-	(21,533)	5,606	17,796
IBISTEK	5,517	-	(6,630)	1,113	-
CAL Bank Cedi	1,620	-	(1,296)	-	324
Ghana International Bank	14,041	-	(7,702)	858	7,197
Societe Generale Ghana Limited	168,222	-	(23,795)	14,698	159,125
Societe Generale Ghana Limited	69,552	59,014	(18,261)	9,095	119,400
HSBC	14,853	2,269	(4,960)	2,914	15,076
Nordea Bank	105,203	26,425	(6,845)	6,937	131,720
Stanbic Bank	11,109	2,913	(2,660)	-	11,362
Ecobank	114,958	89,613	(12,501)	21,114	213,184
CAL Bank	26,998	28,049	(1,555)	5,663	59,155
Bank of Africa	30,605	14,663	(9,497)	2,329	38,100
Agence Francaise de Development	4,733	-	-	877	5,610
Ghana International Bank (STL)	-	15,994	-	1,081	17,075
IDA 4971 GH (WB)	4,938	10,262	-	811	16,011
Total	**678,331**	**249,712**	**(150,440)**	**84,828**	**862,431**

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

21. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Year ended 31 December 2014

Lender	At start of year	Drawdowns	Repayment	Exchange difference	At end of year
Newmont Ghana Ltd	14,011	-	(7,178)	6,104	12,937
CAL Bank	9,675	17,181	(16,603)	3,886	14,139
Rand Merchant Bank	39,239	-	(12,500)	18,444	45,183
Standard Chartered Bank	34,899	-	(16,314)	15,138	33,723
IBISTEK	7,190	-	(4,800)	3,127	5,517
CAL Bank Cedi	791	2,317	(1,488)	-	1,620
Ghana International Bank	13,584	-	(5,906)	6,363	14,041
Societe Generale Ghana Limited	76,193	104,039	(19,726)	7,716	168,222
Societe Generale Ghana Limited	33,054	28,153	(3,829)	12,174	69,552
HSBC	5,583	9,415	(3,867)	3,722	14,853
Nordea Bank	38,603	55,129	-	11,471	105,203
Stanbic Bank	12,345	-	(1,236)	-	11,109
Ecobank	28,062	73,309	-	13,587	114,958
CAL Bank	7,705	11,209	-	8,084	26,998
Bank of Africa	9,664	18,215	-	2,726	30,605
Agence Francaise de Development	1,119	2,755	-	859	4,733
IDA 4971 GH (WB)	-	4,989	-	(51)	4,938
Total	331,717	326,711	(93,447)	113,350	678,331

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

21. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

SUMMARY OF LOAN FACILITIES

- 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 at an interest rate of 8%.
- CAL Bank financed the Accra Third Bulk Supply with a Dollar and Cedi denominated loans. The tenor is 4 years with 18 months moratorium. Interest rate is 11% and 25% for the United States dollar loan and Ghana cedi loan respectively. CAL Bank also financed the Supply Improvement to Brekum Project with a Dollar loan. The tenor is 7 years with 2 years moratorium 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 moratorium. 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 moratorium. Interest rate is LIBOR plus 5.85%.
- IBISTEK financed the Construction of Warehouses and passed on a Dollar denominated loan to GRIDCo. Tenor is 4 years with 12 months moratorium. Interest is 6.25%.
- Ghana International Bank financed the Supply of Transformers with a Dollar loan. Tenor is 6 years with 12 months moratorium. Interest rate is 7.25%.
- Societe Generale Paris financed the Tumu-Han-Wa Transmission Project and the Substation Reliability Enhancement Project with a Euro denominated loan. Tenor is 12 and 11.5 years respectively with 29 and 23 months moratorium respectively. Interest rate is EURIBOR plus 1.75% for the two loans.
- HSBC financed the Prestea Bogosu Transmission Lines and Substation Refurbishment Project with a Dollar loan. Tenor is 5 years with 12 months moratorium. Interest rate is LIBOR plus 1.9%.
- NORDEA Bank financed the Bawku Zebilla Reinforcement Project with a Euro Loan. Interest rate is EURIBOR plus 1.94% with a tenor of 13 years. The moratorium is 3 years.
- Stanbic Bank co-financed the Bawku Zebilla Reinforcement Project with a Ghana cedi loan. Tenor is 7 years with 2 years moratorium. Interest rate is 23.5%.
- Ecobank Ghana Limited financed the Supply Improvement to Western Region Project with a Euro denominated loan. Tenor is 7 years with 2 years moratorium. 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 moratorium. The interest rate is 9%.
- Agence Francaise de Development financed the 330kv Kumasi to Bolgatanga Transmission Line and other components with a Euro Loan. The facility has a 20 years tenor with 5 years moratorium. Interest is 6 months LIBOR plus 1.63%.
- The IDA 4971 GH is a World Bank facility. The facility is for 35 years with a 10 year moratorium.
- Ghana International Bank made available to GRIDCo a dollar short-term facility for general corporate purpose at a 6.25% interest rate over a six month period from August 2015 to February 2016.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of Ghana cedis unless otherwise stated)

22. TRADE AND OTHER PAYABLES

	2015	2014
Amount due to Public Utility Regulatory Commission	**39,876**	30,086
Amount due to related party (Volta River Authority) (note 23 (b))	**94,093**	99,641
Trade payables	**93,661**	44,132
Accrued expenses	**6,165**	1,661
	233,795	175,520

23. RELATED PARTY TRANSACTIONS

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

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

	2015	2014
(i) Provision of transmission services:		
Electricity Company of Ghana	**291,914**	242,835
Volta Aluminium Company Limited	**29,378**	24,418
Northern Electricity Distribution Company Limited	**38,960**	28,973
(ii) Rendering of services:		
Volta River Authority	**2,492**	68,513

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

(a) Loans due from related parties:

	2015	2014
Officers and other employees (note 14)	**10,174**	10,232
Staff advances (note 16)	**1,011**	2,621
	11,185	12,853

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of Ghana cedis unless otherwise stated)

23. RELATED PARTY TRANSACTIONS (CONTINUED)

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

(b) Receivables due from related parties:

	2015	2014
Electricity Company of Ghana	**339,695**	224,611
Volta Aluminium Company Limited	**76,812**	60,639
Northern Electricity Distribution Company Limited	**-**	28,841
	416,507	314,091

(c) Payables due to related parties:

	2015	2014
Volta River Authority (VRA)	**94,093**	99,641

(d) Compensation of key management personnel of the Company

	2015	2014
Salaries, wages and termination benefits	**3,138**	9,368
Employers pension contribution	**938**	686
	4,076	10,054

24. DONOR SUPPORT

Donor support represents grants from Agence Française de Développement (AFD) to support the construction of a 330 kilo-volts transmission line from Kumasi to Bolga to reinforce its network and a 225 kilo-volts interconnection from Bolgatanga to Burkina Faso. These grants are included in non-current liabilities as 'deferred donor support' in the statement of financial position and are credited to income statements after the completion of the project on a straight-line basis over the expected lives of the related assets. Total donor support received during the year was GH¢3.724 million (2014: Nil).

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Ghana cedis unless otherwise stated)

25. COMPARATIVES

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

26. CONTINGENCIES AND COMMITMENTS

(a) Guarantees and indemnities

There were neither guarantees nor indemnities at the reporting date (2014: Nil).

(b) Contingent liability

The Company is presently involved in certain legal proceedings. The court cases arose in the normal course of business. In the directors' opinion, after seeking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss to the Company (2014: Nil).

(c) Commitments

Capital commitments at the balance sheet date is GH¢651 million (2014: GH¢305 million). This is in respect of the construction of transmission assets.

NOTES

GRIDCo
Backbone to Power Delivery
GHANA GRID COMPANY LIMITED

PROXY FORM

(7th 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 September 19, 2016 at 10.00 a.m. at the La Palm Royal Beach Hotel, Accra, and at any adjournment thereof.

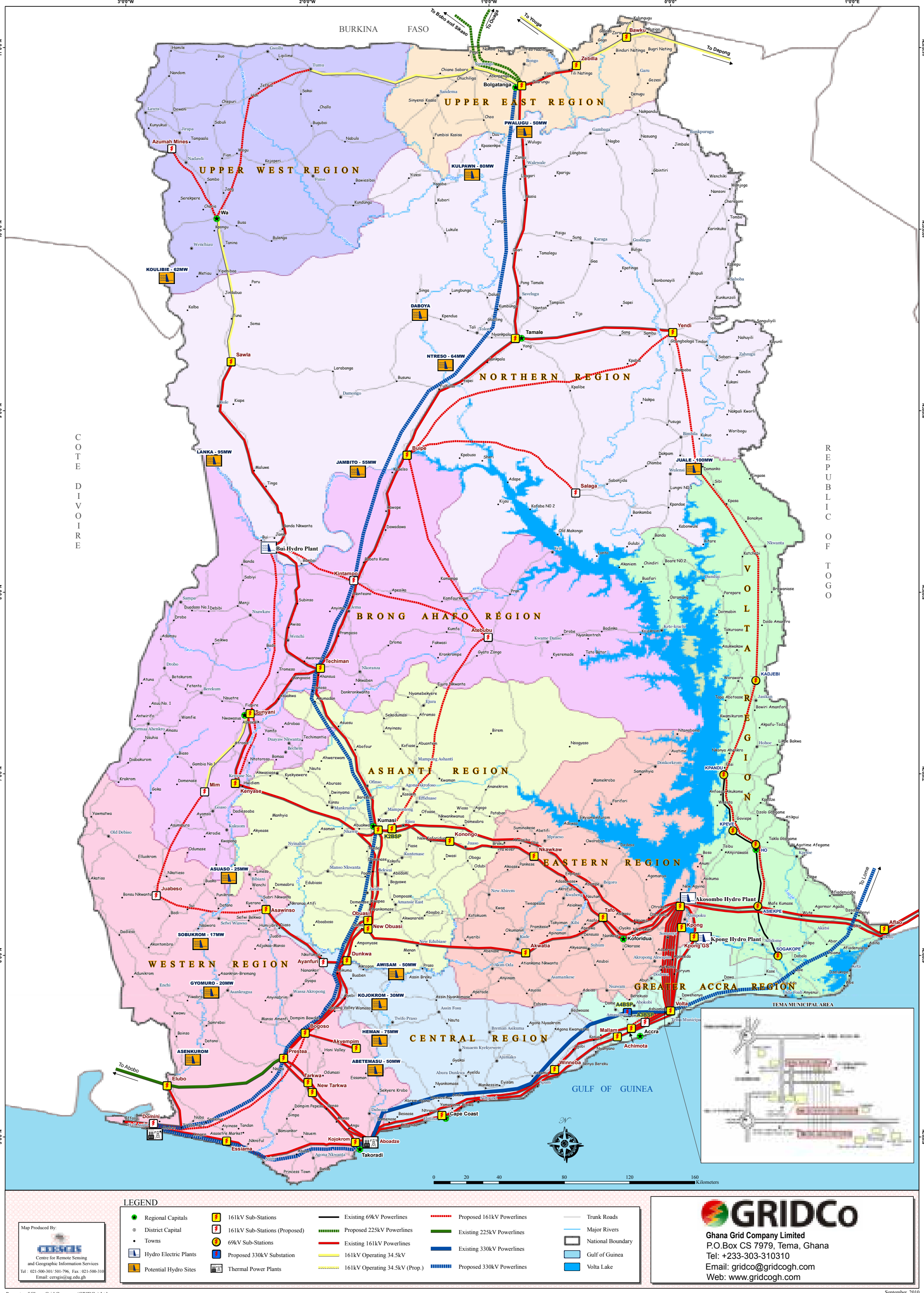
Please indicate with an "X" in the spaces below how you wish your vote to be cast.

RESOLUTION	FOR	AGAINST
1. To receive and consider the Financial Statements for the year ended December 31, 2015 together with the Reports of the Directors and Auditors thereon		
2. To authorize directors to appoint auditors to audit the 2016 Financial Statements and to fix the remuneration of Auditors.		

Signed this .... day of September, 2016

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

NATIONAL INTERCONNECTED TRANSMISSION SYSTEM OF GHANA



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September, 2010

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