GRIDCo

Backbone to Power Delivery

2019 ANNUAL REPORT

GHANA GRID COMPANY LIMITED

CONTACT DETAILS

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Digital Address: GK-0208-2247
Tel: (+233) (0) 30-331 8700 / 331 8790
Email: gridco@gridcogh.com
Website: www.gridcogh.com

AREA OFFICES

Area	Postal Address	E-mail Address	Direct Telephone Numbers
Akosombo Area Tafo Sub Area	P.O. Box AB 272 Akosombo P.O. Box 47 Tafo	akosomboarea@gridcogh.com tafoarea@gridcogh.com	+233 (0)34-229-2878 +233 (0)50-773-3930 (0)34-229-2878
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Accra Area	P.O. Box CS 7979 Tema	accraarea@gridcogh.com	+233(0)30-331-8700 Ext 542
Takoradi Area	P.O. Box EF 226 Effia Takoradi	takoradiarea@gridcogh.com	+233 (0)31-229-2201
Prestea Area	P.O. Box 50 Prestea	presteaarea@gridcogh.com	+233 (0)50-334-3672 (0)33-209-7617
Kumasi Area Dunkwa Sub-Area	P.O. Box KS 587 Kumasi	kumasiarea@gridcogh.com dunkwawarea@gridcogh.com	+233 (0)26-200-9009 (0)24-640-8885
Techiman Area Sunyani Sub-Area	P.O. Box 369 Techiman	techimanarea@gridcogh.com sunyaniarea@gridcogh.com	+233 (0)35-219-7568 +233(0)35-219-4940
Tamale Area	P.O. Box TM 1266 Tamale	tamalearea@gridcogh.com	+233 (0)37-202-2236 (0)55-399-4369 (0)20-671-6428 (0)37-202-2513
Bolgatanga Area	P.O. Box BG 633 Bolgatanga	bolgatangaarea@gridcogh.com	+233(0)20-893-5403 (0)24-419-5597

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CORPORATE INFORMATION

BOARD OF DIRECTORS AS OF DECEMBER 31, 2019

Ambassador Kabral Blay-Amihere - Chairman
Ing. Jonathan Amoako-Baah - Chief Executive
Madam Dzifa Amegashie
Mr. Kenneth Kwamina Thompson
Dr. Nicholas Kwabena Smart-Yeboah
Air Vice Marshall Issifu Sakib Kadri
Hon. Naana Eyiah
Nana Akyereako Adjabinti I (*aka* Nana Kofi Nti)
Mr. Frederick Fredua Antoh

BOARD SECRETARY

Mrs. Monica Nana Ama Senanu

AUDITOR

KPMG (Chartered Accountants)
Marlin House, 13 Yiyiwa Drive
Off Olusegun Obasanjo Way
(Formerly Achimota Road)
Abelemkpe, Accra

BANKERS

Agricultural Development Bank Limited
Barclays Bank PLC
Bank of Africa Ghana Limited
CAL Bank Limited
Ecobank Ghana Limited
GCB Bank Limited
Ghana International Bank plc
National Investment Bank Limited
Rand Merchant Bank
Société General Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana Limited
Universal Merchant Bank Limited
Zenith Bank Ghana Limited

CORPORATE PROFILE

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

GRIDCo is licensed by the Energy Commission to exclusively operate the National Interconnected Transmission System (NITS). GRIDCo's mandate was amended to include the use of the Company's assets to provide commercial telecommunication and related services with the excess capacity on its dark fibre optic network.

The Government of Ghana, represented by the State Interests and Governance Authority (SIGA), is the sole shareholder of GRIDCo.

OPERATIONS

The Company maintains and operates about 6,229.6 circuit kilometres of high-voltage transmission lines to wheel power from generating stations to sixty-three (63) Substations or Bulk Supply Stations (BSPs). The interconnection of transmission lines, substations and generating stations forms the NITS. The transmission lines are operated at various voltages of 330 kV, 225 kV, 161 kV and 69 kV. The transformer capacity as of December 2019 was 8,959.6 MVA.

The Company transmits electricity to thirty (30) Bulk Customers and Distribution Utilities from eleven (11) Wholesale Suppliers.

DEPARTMENTS

GRIDCo has twelve (12) Departments that are structured to ensure that corporate goals and objectives are accomplished in a cost effective and environmentally sustainable manner.

These departments are Strategy and Corporate Services, Engineering Planning and Design, Engineering Projects, Finance, GRIDTel, Human Resources & Services, Internal Audit, Legal Services and Board Secretariat, Technical Services, Northern Network Services, Southern Network Services and System Operations.

OPERATIONAL AREAS

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

REGULATORS

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

VISION

To be the model electricity grid Company.

MISSION

We provide a reliable grid for development.

MEDIUM-TERM GOAL

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

CORE VALUES (RISE & CARE)

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

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

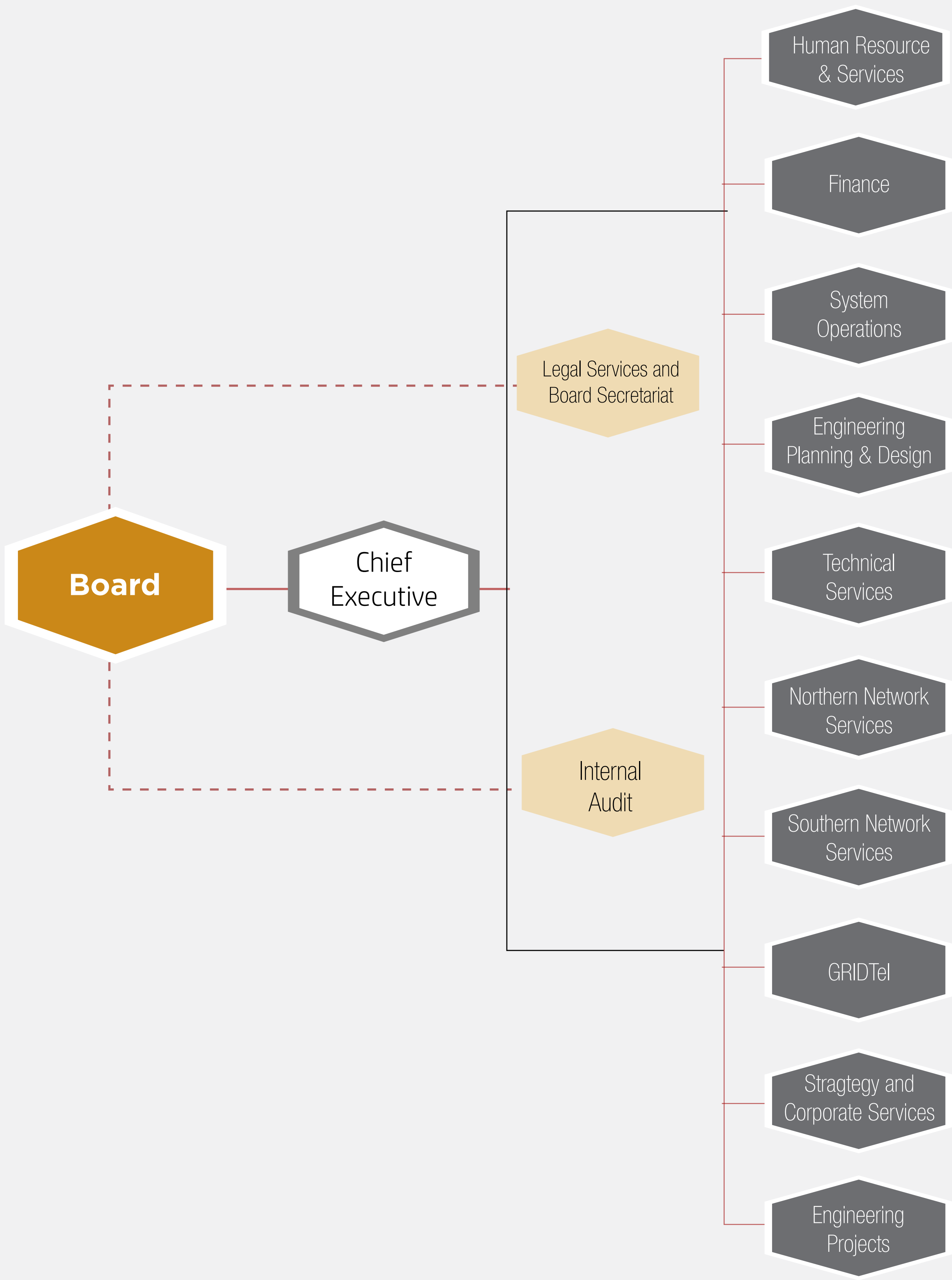
Safety: We are committed to the highest safety standards and environmental practices.

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

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.

Splicing of OPGW and Approach Cable for Smelter II- Enclave Power Transmission Line at Smelter II Substation.

ORGANISATIONAL STRUCTURE



CORPORATE HIGHLIGHTS

Maximum Demand
2804 MW

System Availability
99.43%

Energy Transmitted
17.89TWh

Transmission Revenue
GH₵ 733.96 M

CORPORATE GOVERNANCE STATEMENT

GRIDCo is a private limited liability company, wholly owned by the Government of Ghana represented by State Interest and Governance Authority (SIGA).

The Company has a governance structure that reflects the company's commitment to transparency, fairness and sustainability. The rules, processes and practices in place ensure an effective distribution of responsibilities between the Board of Directors, Management and internal and external audit functions. This system enhances governance and the company's impact on the environment and the society.

The Companies Act, 2019 (Act 992), Public Financial Management Act, 2016 (Act 921), Regulations of the Company, Board Standing Orders, Terms of Reference of Board Committees, Code of Ethics and Operational Policies are some of the key documents which set out the company's approach to governance. These documents also outline the Company's rules on transparency, disclosure and obligations.

The Company's nine (9)-member Board of Directors are constituted with one (1) executive Director, the Chief Executive and eight (8) non-executive Directors. The skills and experiences of the Board are sufficiently varied to meet the exigencies for strategy setting in the power sector.

The Board's Committees are the Finance, Engineering and Operations, Industrial Relations and Compensation and GRIDTel Committees. A statutory Audit Committee has also been established to supervise the implementation of audit recommendations, amongst others. The roles of the various committees are as indicated below:

Finance Committee

The Finance Committee assesses the Company's financial strategies, prioritizing capital and financial commitments, and determining the adequate allocation of the Company's financial resources. The Committee guides the Board to provide direction on fiscal sustainability and ensure that the fiscal environment, plans, reports and related activities are in accordance with the Company's vision and mission.

Engineering and Operations

The Engineering and Operations Committee assists the Board to ensure effective and efficient development and management of the NITS and successful implementation of engineering projects. The Committee, amongst others, makes recommendations to ensure compliance with statutory requirements and contracting obligations with grid participants.

Industrial Relations and Compensation

The Industrial Relations and Compensation Committee ensures that the human resources and remuneration arrangements support the strategic aims of GRIDCo and enable the recruitment, motivation and retention of staff. The Committee considers proposals on human resources strategy, remuneration of Management and staff, and human resource initiatives.

GRIDTel Committee

The GRIDTel Committee reviews reports of the GRIDTel Business Unit, to deliberate on the use of the Company's telecommunication assets for telecommunication businesses. The Committee assesses the needs of GRIDTel and the contribution of the Unit to GRIDCo's business sustainability and makes appropriate recommendations to the Board.

Audit Committee

The Audit Committee considers internal and external audit reports and ensures that the Chief Executive pursues the implementation of recommendations contained in the reports. The Committee prepares an annual statement on the status of implementation of the recommendations and forwards the report to relevant statutory bodies. The Committee advises on the mitigation of risks which may affect the effective operations of GRIDCo.

The Committees ensure more focused deliberations on specific aspects of the company's business and enhance the objectivity and independence of the board's judgment.

The Board and its Committees meet quarterly to consider reports on the performance of the company and the implementation of the Company's strategy. In 2019, the Board held four (4) Board Meetings and sixteen (16) Committee Meetings.

The Internal Audit Department undertakes internal control assurance through an Audit Charter approved by the Audit Committee and the Board. The Department assists the Audit Committee to monitor the implementation of recommendations of the external auditor appointed by the Shareholder. The external auditor evaluates GRIDCo's financial statements and assesses accounts for accuracy and compliance. The auditor also investigates internal systems and operations. Internal and external audits are conducted in accordance with International Standards of Auditing.

The Board, with the support of Management continues to execute its responsibilities and govern conscientiously to ensure that GRIDCo effectively plays its role in the Power Sector.

BOARD OF DIRECTORS

As of December 31, 2019

Ing. Jonathan Amoako-Baah
Chief Executive/Member

Mr. Kenneth Kwamina Thompson
Member

Nana Akyereako Adjabinti I (*aka* Nana Kofi Nti)
Member

Dr. Nicholas Smart-Yeboah
Member

Amb. Kabral Blay-Amihere
Chairman

Madam Dzifa Amegashie
Member

Air Vice Marshall Issifu Sakib Kadri (Rtd)
Member

Hon. Naana Eyiah
Member

Mr. Frederick Fredua Antoh
Member

CHAIRMAN'S REPORT

In the year under review, the Board ensured the effective management of risks which enabled GRIDCo to deliver on its mandate of transmitting electricity to customers in Ghana and beyond. The Board provided direction on the resources, people, structure, systems and culture required for effective implementation of strategy.

FINANCIAL PERFORMANCE

The Board established financial goals and objectives and established a number of funding strategies. However, the financial environment for 2019 was affected by electricity generation shortfall, high receivables from bulk customers and the depreciation of the Ghana Cedi. The poor cash flow situation affected the normal operations of the company as planned projects and works had to be deferred. Total revenue for the year was GH₵ 734.0 million. The company recorded a Net Loss of GH₵ 44.9 million.

MANAGEMENT STAFF

The Board approved the appointment of a new Director of Finance, Ing. Samuel Nkansah, to continue the management of the finances of the company, create and implement systems to manage the Company's funds and prepare accurate forecasts required for future investments and expenditure.

BUSINESS DIVERSIFICATION

The Board, in its quest to reduce the Company's risks and achieve greater profitability, approved a partnership arrangement between GRIDCo and CSquared Company, on the provision of commercial telecommunication services. This partnership formed part of GRIDCo's resolve to enhance internet and data penetration in Ghana using its passive infrastructure, whilst mitigating the Company's exposure to the pervasive liquidity risks in the power sector. The intended partnership model leveraged on the key strengths of both parties and guaranteed an optimal revenue share between the parties.

MANPOWER AUDIT

The Board aimed at promoting the highest levels of efficiency through an adequate and skilled workforce. Management was charged to monitor performance and reward appropriately. To this end, the Board approved the implementation of a Manpower Audit within the Company to ensure that the human resource base was commensurate with operational requirements.

STAKEHOLDER ENGAGEMENTS

Engagements with stakeholders within the past three years have led to an improvement in the visibility and appreciation of GRIDCo's issues, particularly its financial situation. The Board engaged His Excellency, the President of Ghana, on GRIDCo's financial situation and sought assurances on Government's support to enable resumption of disbursement of funds by our key financier, Agence Francaise de Development, under a financing facility for six (6) transmission projects, including the 330kV Kumasi-Bolgatanga transmission line project. The disbursement was resumed with a one-year extension of the credit facility drawdown period.

The Board and Management engaged bulk customers on their indebtedness to the Company. It is expected that the implementation of the Cash Waterfall Mechanism will address issues of indebtedness in the power sector, improve liquidity, strengthen the balance sheet and make industry players more viable.

CORPORATE SOCIAL RESPONSIBILITY

Our commitment to the communities in which GRIDCo operates remains high. A number of community and institutional support activities were conducted. GRIDCo adopted a Home at the SOS Children's Home in Tema. Our commitment to education, in relation to energy, was shown in our support to the Nana Sir Ofori-Atta National Energy Quiz. Internally, National Service Persons in GRIDCo were supported with an initiative to provide furniture for four hundred (400) students, a Staff Common Room and electricity connection to the Kewunor Maranatha D/A Basic school at Ada Foah in the Greater Accra Region.

The Board sought to institute and guide the implementation of policies and best practices which would bring strategic value and guarantee efficient and non-discriminatory electricity transmission. The Company extends its appreciation to the Government for its continuous support. GRIDCo's regulators, financiers, Wholesale Suppliers, Bulk Customers and business partners have contributed their share to the company's respected position in the power sector, and for that we are grateful.

MANAGEMENT STAFF

Ing. Jonathan Amoako-Baah
Chief Executive

Wg. Cmdr. Samuel Allotey (Rtd.)
Director, Human Resources & Services

Ing. Daniel Amartey
Director, Southern Network Services

Ing. Mark Baah
Director, System Operations

Ing. Vincent Yiadom Boachie
Director, Northern Network Services

Ing. Ebenezer Essienyi
Director, Technical Services

Ing. George Nipah
Director, GRIDTel

Ing. Samuel Nkansah
Director, Finance

Mr. Richard Ntim
Chief Internal Auditor

Ing. Benjamin Ntsin
Director, Engineering Planning and Design

Mr. Kofi Okofo-Dartey
Director, Corporate Affairs

Ing. John Owusu-Afriyie
Director, Engineering Projects

Mrs. Monica N. A. Senanu
Company Solicitor and Board Secretary

CHIEF EXECUTIVE'S REPORT

Management operated and managed the NITS to ensure transmission of reliable electricity to our customers. In the period under review, GRIDCo maintained a high-performance culture to guarantee efficiency in the Company's operations. Prevailing economic factors and the Company's financial position guided management to implement cost-cutting measures to keep the Company in a sustainable position.

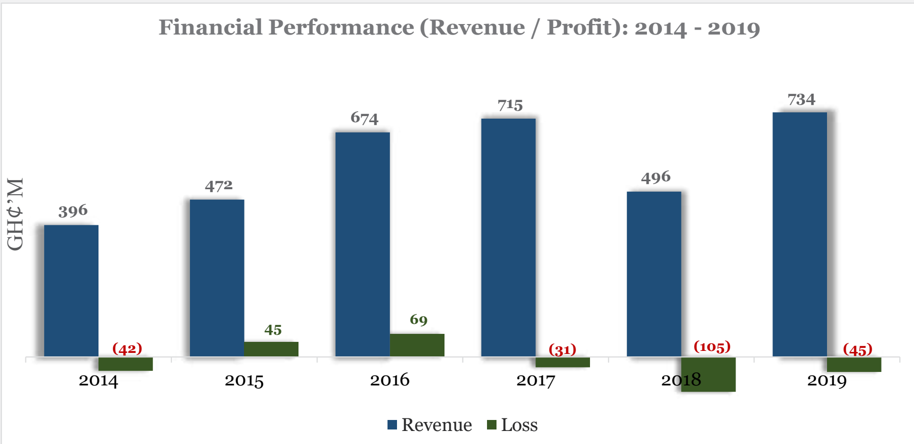
Financial Operations and Tariff

Our focus for Financial Year 2019 was to ensure business sustainability and effective revenue management. Our policies were focused on the implementation of cost-effective measures and processes aimed at operational and financial efficiency.

Energy transmitted in 2019 was 17,887 GWH, as compared to 15,960 GWH transmitted in Financial Year 2018 (increase of 12%).

Total Revenue amounted to GH₵ 734.0 million, as compared to GH₵ 495.7 million in 2018 representing an increase of 48%. This was due to a regulatory tariff increase of 96% for customers and a marginal growth in energy transmitted based on electricity demand.

A Net loss for the year was GH₵ 44.9 million from GH₵ 104.6 million realized in FY 2018.



As of December 31, 2019, GRIDCo's debtors owed close to GH₵1.2bn, and this debt impacted the Company's finances and operational efficiency.

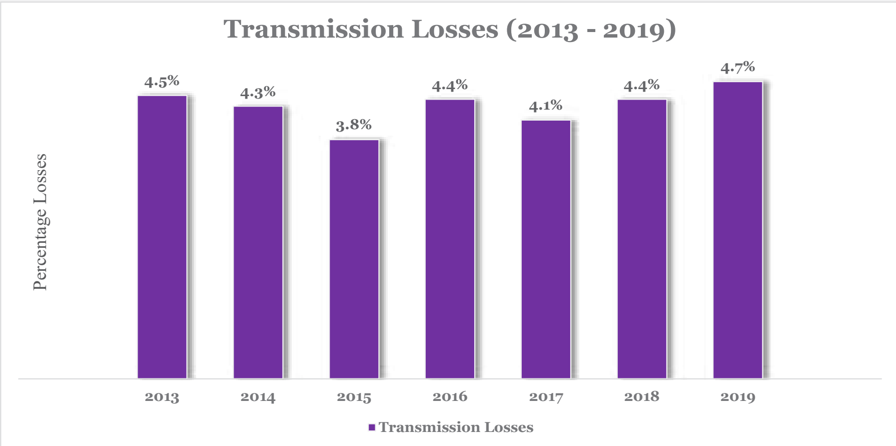
The Public Utilities and Regulatory Commission (PURC) adjusted the Transmission Service Charge (TSC) upwards, from 5.004Gp/kWh to 6.0398GHp/kWh. The transmission loss threshold was also reviewed from 3.8% to 4.1% by the PURC.

Power Transmission

The total power transmitted on the network in 2019 was 17.89TWh, a 12.07% increase over the figure recorded in 2018 (15.96TWh). Out of the total net generation, 15.61TWh was consumed locally, with 1.35TWh exported to neighbouring countries. The significant increase in power generation and exports to the sub-region are signs of growth and general improvement in the NITS in the country.

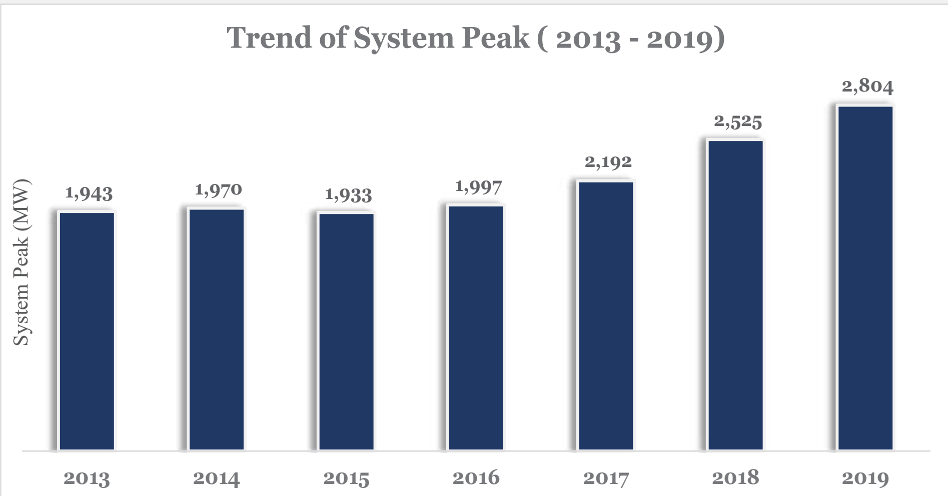
Transmission Losses

In 2019, a transmission loss of 0.84TWh, which is 4.71% of energy available for transmission was recorded. This was 18.3% higher than the 2018 figure of 0.71TWh (4.43%). This was mainly because of a series of supply interruptions in June and August 2019, due to the sudden shutdown of generating units caused by the loss of gas supply from Ghana Gas Company Limited. These disturbances affected optimal dispatch, resulting in higher transmission losses.



System Peak Demand

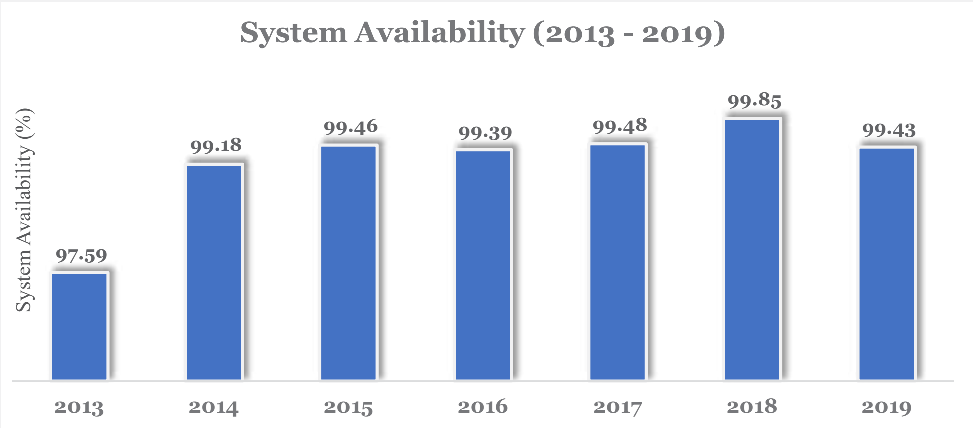
A peak demand of 2,804.00MW was recorded on December 3, 2019 at 18:45 hrs, a 11.5% increase of the value recorded in 2018.



System Availability

An average system availability of 99.43% was achieved for transmission lines in 2019 as against 99.85% in 2018.

The reduction was due to several maintenance related activities that were undertaken to improve the stability of the NITS, notable among them was the outage on the 330kV Aboadze-Volta transmission line due to the construction of the Pokuase Interchange. The inability to clear the transmission line ROW of overgrown vegetation due to cashflow challenges affected supply along some transmission line segments.



Enterprise Resource Planning (ERP)

As part of a cost optimisation strategy an Enterprise Resource Planning system was initiated for the Company. The system will transform how transactions, operations and processes are carried out in the Company and ensure improved performance, better accuracy and availability of information, improved coordination, precise planning and enhanced reporting.

Wholesale Electricity Market

GRIDCo continued to take concrete steps towards the operationalisation of the Ghana Wholesale Electricity Market (GWEM). The Market Design plan was developed and engagements on the draft Market rules were held with various stakeholders. When fully operationalised, the GWEM will ensure the appropriate trading, delivery, and settlement of transactions among Market Participants.

Recognition

The recognition of our contribution to the national economy and the sub-region led to key awards for the Company in 2019 which included the "Power Service Provider of the Year in Africa" by the African Power, Energy and Water Industry Awards held in Cape Town, South Africa. The Company also received the "Industry Leadership Award" at the Ghana Energy Awards held in Accra, Ghana.

Outlook

The Power Sector continued to show signs of growth from the changes brought on by technology and the increasing demand for power.

The objective for the medium to long term was to implement measures that would make GRIDCo competitive and viable, improve cost competitiveness, grow new business opportunities, improve project management practices, increase the use of technology and implement an effective Performance Management System (PMS).

Overall, Management worked hard to achieve efficient power delivery despite the challenges in the operating environment. It is our expectation that ongoing critical projects would be completed, to strengthen the grid. The implementation of an effective system of payment for services would also improve operations.

Our commitment to the provision of reliable transmission services to countries in the sub-region remains on course.

REPORT OF THE DIRECTORS

TO THE MEMBERS OF GHANA GRID COMPANY LIMITED

The Directors present their report and the financial statements of Ghana Grid Company Limited ("GRIDCo" or "the Company") for the year ended 31 December 2019.

Directors' Responsibility Statement

The Directors are responsible for the preparation of financial statements that give a true and fair view of Ghana Grid Company Limited, comprising the statement of financial position at 31 December 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead. Refer to Note 39 to the financial statements for detailed disclosure on Going Concern Consideration.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Nature of Business

The Company is authorised to undertake the economic dispatching and transmission of electricity from facilities of wholesale suppliers to bulk customers and distribution utilities in Ghana and West Africa. The Company is also authorised to undertake telecommunication services in the country whereby the excess capacity of the Company's fibre lines are leased out to telecommunication companies. There was no change in the nature of business of the Company during the year.

Holding Company

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

Financial Statements/ Business Review

The financial results of the Company for the year ended 31 December 2019 are set out in the financial statements, highlights of which are as follows:

RESTATED

	2019	2018
	GH¢'000	GH¢'000
Loss before tax	53,964	164,401
Loss after tax	44,851	104,571
Total assets	6,146,998	5,444,228
Total liabilities	3,870,571	3,459,183
Total equity	2,276,427	1,985,045

The Directors do not recommend the payment of dividend.

The Directors consider the state of the company's affairs to be satisfactory.

Particulars of Entries in the Interests Register During the Financial Year

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

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) programme for the year included the following:

Category	Details	GH¢
Education	• Support for the Nana Sir Ofori-Atta I 2019 National Energy Quiz • Support for the lunch of the Energy News Africa platform in line with a commitment to public education awareness on energy related issues	20,000 5,000
Environment and Community Development	• Support for the welfare and substance of children of the SOS Children's Village in Tema and Tamale • Support for various capacity enhancing activities of the Ghana Armed Forces and Police Service	30,000 30,000
TOTAL		85,000

Capacity Building of Directors to Discharge Their Duties

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

Audit Fees

The audit fee for the year is GH¢200,000.

Approval of the Report of the Directors

The report of the Directors of Ghana Grid Company Limited was approved by the Board of Directors on

.........July 21......... 2021 and signed on their behalf by:

....	....
Signature	Signature
Kofi Bley Amoako	Jonathan Amoako-Baah
Name	Name

OPERATIONAL REPORT

Right-of-Way (RoW) Management and Protection

A series of public educational activities were organised to sensitise Ghanaians on the dangers associated with conducting undertakings under the transmission line Right-of-Way (RoW). Stakeholder engagements with various groups including, town elders, opinion leaders and encroachers, took place across the country, particularly in the Greater Accra where Right-of-Way encroachment is prevalent. GRIDCo, in collaboration with the Security agencies undertook decongestion exercises in encroached areas in Tema, Accra and other parts of the country. Several illegal structures were demolished and illegal mining sites operating close to GRIDCo transmission lines and facilities in the Prestea and Kumasi transmission corridors were patrolled and monitored.

Status of Communication Networks

GRIDCo capitalised on its dark fibre cores and gained the opportunity to lease excess capacity on its fibre optic network whilst providing enhanced services to other power sector affiliates to generate additional revenue. This was achieved through the operations of GRIDTel, a business unit in GRIDCo. GRIDCo leased a total of 289km of dark fibre to MTN from Takoradi through Tarkwa Prestea, Bogoso, Dunkwa, Obuasi to Kumasi.

SCADA Network

The Supervisory Control and Data Acquisition (SCADA) network operated smoothly and reliably with no major hitches within the Southern Telecom Network Operations Area. All power generating stations which came on stream within the period under review, were integrated into the network on the main and backup communications channels to the System Control Centre in Tema. The SCADA network within the Northern Telecom Network Operations Area was also reliable.

EQUIPMENT MAINTENANCE

Transmission Maintenance

Preventive maintenance which included regular inspections was carried out on transmission equipment in 2019. The average maintenance accomplishment during the period was 90.84%.

Planned routine maintenance activities carried out by the line maintenance teams on all transmissions lines included biannual ground and security patrols, encroachment patrol surveys and Right of Way (RoW) Management.

Corrective maintenance activities were also carried out on the transmission lines during the period under review and this included replacement of vandalised towers and repair of associated equipment.

Substation Equipment Maintenance

In line with the Company's maintenance policy and procedures, planned maintenance activities including regular inspection and checks were carried out on all substation equipment in the NITS.

Terminations of instrument transformers and protection and control cables were tightened and equipment were cleaned as part of routine inspection of all substations in the network. Earth Resistance Tests were also performed at all substations.

KEY ENGINEERING PROJECTS

GRIDCo undertook a number of capital projects in the year under review as part of efforts to strengthen the transmission grid infrastructure.

Key projects completed included:

1.Supply Improvement to Western Region

Contractor: Elsewedy Electric T&D
Cost: USD 66,876,371.00
Financier: GRIDCo

Project Brief: The Project involved the construction of a new 161kV substation at Juaboso and expansion of the Asawinso substation. It also included the construction of approximately 170km of 161kV Twin Bundle Transmission Line between Asawinso and Mim through Juaboso with the termination of the Line at the Juaboso and Mim Substations.

The works at the Asawinso and Juaboso Substations as well as the 161kV Asawinso-Juabeso-Mim Transmission Lines were completed and commissioned in 2019.

Following the energisation of the Asawinso-Juaboso-Mim lines, the Dunkwa-Asawinso and Sunyani-Mim radial lines have been incorporated into the larger system loop improving power supply reliability and quality in the Western North, Bono and Ahafo regions.

Vertical Clearance checks on the 161kV Mim-Juaboso Transmission Line

2. 330kV Aboadze – Prestea Transmission Line

Contractor: Amandi Energy Solutions Limited
Estimated Cost: USD 27,000,000.00
Financier: Amandi Energy Solutions Limited

Project Brief: The project involved the construction of a double circuit twin bundle TERN Conductor 330kV transmission line of approximately 80km from Aboadze to Awodua, which forms part of the 330kV central backbone of the transmission system. It seeks to improve power transfer capability between the Aboadze Generation Enclave and the Central and Northern Belts of Ghana.

The project was scheduled to be completed by February 2017. However, due to the delay in the payment of compensation for crops and other property affected by the project, there was an interruption of the implementation schedule.

The line was energised in June 2019.

Conductor Stringing Works In Progress : Aboadze- Prestea 330kV Transmission Line

New 330kV Aboadze Substation Control Building

3. 330kV Prestea-Kumasi Transmission Project

Contractor: GS Engineering and Construction of Korea
Estimated Cost: USD 58,000,000.00
Financier: Korean EXIM Bank

Project Brief: The 330kV Prestea-Kumasi transmission line forms part of the 330kV Central Backbone of the transmission system. The project involves the construction of approximately 185km of 330kV twin bundle TERN Conductor transmission line from Awodua to Kumasi, a new 330kV substation at Kumasi and expansion of the existing 161kV substation at Anwomaso.

The Project was completed in December 2019.

4. 330kV Aboadze Substation Enhancement Project

Contractors: Amandi Energy Solutions Limited
Estimated Cost: USD 32,000,000.00
Financier: Amandi Energy Solutions Limited/GRIDCo

Project Brief: The project commenced in September 2017 and was expected to be completed within twenty-four (24) months. The project seeks to provide six (6) additional terminal bays at the existing 330kV Substation to evacuate proposed power plants to be developed in the Aboadze Power Enclave.

The substation was commissioned into commercial operation in June 2019.

ONGOING

1. 330kV Kumasi-Bolgatanga Transmission Project

Contractors: KEC International, Eiffage Energies T&D, Elecnor S.A. Sinohydro
Estimated Cost: USD 159,000,000.00
Financier : Agence Française de Développement (AFD)

Project Brief: The Project involved the construction of approximately 551 km of a 330kV transmission line from Kumasi to Bolgatanga and associated 330kV substation works in Kumasi, Kintampo, Tamale and Bolgatanga. The objective of the Project was to reinforce Ghana's Transmission System to facilitate the export of at least 100MW of power to Burkina Faso and the Sahelian Region.

The original completion was delayed due to delays in the payment of compensation and the suspension of disbursements to the Contractors by the Financier, AFD. Suspension of disbursement to the Contractors was as result of the breach of the financial covenant by GRIDCo.

The Kintampo – Tamale and Tamale – Bolgatanga sections of the 330kV Kumasi – Bolgatanga Transmission Project were completed in 2019, with only the Kumasi – Kintampo section outstanding.

2. 330/34.5kV Pokuase Substation

Contractor: Elecnor S.A of Spain
Cost: USD 45,300,000.00

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

The scope of works executed under the compact includes provision of 4Nos. 330/34.5kV, 125MVA Power Transformers and breaking into the existing 330kV Volta-Aboadze Transmission line. The Project seeks to improve power supply reliability and quality in the Greater Accra Metropolis. The contract for the project became effective in April 2019 and was expected to be commissioned into commercial operation in May 2021.

The Project progressed steadily and was on schedule during the period under review.

330/34.5Kv Pokuase Bulk Supply Point Project

WHOLESALE SUPPLIERS

1. Aksa Energy
2. Ameri Power Plant
3. Bui Power Authority
4. Cenit Energy Limited.
5. Cenpower Generation Company
6. Early Power Limited
7. Karpowership Power Plant
8. Sunon Asogli Power Plant
9. Takoradi International Company Ltd. (TICo)
10. P. E. Power Limited
11. Volta River Authority (VRA)

BULK CUSTOMERS

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

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GHANA GRID COMPANY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ghana Grid Company Limited ("GRIDCo" or the Company"), which comprise the statement of financial position at 31 December 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 98.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' ***International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*** together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Allowance on Trade Receivables (GH¢493.29 million). Refer to Note 22 in the financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Company has significant trade receivables with customers across the power value chain; from wholesale power producers to bulk customers and distribution utilities in Ghana and other countries in the West African Region. The key customers generally tend to default on settlement of debts by the due date which results in significant impairment allowance being recorded. Management uses significant judgement and a high degree of estimation to determine the impairment allowance for its customers. Given the inherent subjectivity and judgment involved in estimating the impairment allowance and the material nature of the balance, we considered the impairment of trade receivables to be a key audit matter in our` audit of the financial statements.	Our principal audit procedures included the following; • Tested the design, implementation and operating effectiveness of the key controls over financial reporting related to the computation of impairment allowance using the Expected Credit Loss (ECL) method. • Obtained an understanding of source • information used by management for the computation of the impairment allowance and determining whether the information is reliable and realistic. • Evaluated management assumptions to ensure • that they are reflective of the circumstances of the business. • Recomputed the inputs used in determining the • impairment allowance to ensure the accuracy of the amount recorded. • Evaluated the adequacy of disclosures for • impairment allowance in accordance with the requirement of IFRS 9 and evaluated the accounting policies and notes in relation to trade and other receivables.

Revaluation of property, plant and equipment (GH¢3.4 billion). Refer to Note18 in the financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Management applies the revaluation method in measuring the Company's carrying value of its property, plant and equipment. These assets are revalued on a monthly basis by management using the indexation model and every five to seven years by an external valuer. In the current year, the indexation model has been used to determine the value of the assets. The indexation model required a monthly indexation of the values of the property, plant and equipment by the application of determined indices to adjust the values to reflect market conditions. Key inputs used in the valuation are United States Consumer Price Index for All Urban Consumers (CPIU) and exchange rate fluctuations. These inputs are relevant for the determination of the replacement cost of the fixed assets as most of the components of the Company's assets are purchased in United States dollars. The use of the indexation method introduces significant estimation uncertainties as the estimated values of the property, plant and equipment are not based on quoted prices and have elements of assumptions based on the use of the CPI-U and the exchange rates. Given the inherent subjectivity and judgment involved in determining the CPI-U and exchange rates to use for the indexation; and the material nature of the balance, we considered the revaluation of property, plant and equipment to be a key audit matter in our audit of the financial statements.	Procedures performed include: • Tested the design, implementation and operating effectiveness of the key controls over management's revaluation of property, plant and equipment using the indexation model. • Obtained an understanding of the indexation model used by management. • Assessed the appropriateness of the indexation • model and the assumptions made. • Reviewed the basis for the determination of the Indices and exchange rates used. • Checked the mathematical accuracy of the • revaluation worksheet and agreed the value to the amount reported in the financial statements. • Reviewed disclosures included in financial statements for appropriateness. • Agreed the fixed assets register to the general ledger.

Other Matter

The financial statements of Ghana Grid Company Limited for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 4 November 2019.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information which we obtained prior to the date of this auditor's report date; and the Chief Executive's Report, Report on Corporate Governance, Corporate Social Responsibility Report, Operational Report and Report on Engineering Projects which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992).

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is Nana Akua Ayivor (ICAG/P/1058).

KPMG
....

FOR AND ON BEHALF OF:
KPMG:
(ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P. O. BOX GP 242
ACCRA
21 July 2021

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019

	Note	31 December 2019 GH¢'000	Restated 31 December 2018 GH¢'000	Restated 1 January 2018 GH¢'000
Assets				
Property, plant and equipment	18	5,008,272	4,547,307	4,766,059
Intangible assets	19	9,656	5,303	12,483
Other receivables	20	5,086	7,328	7,843
Non-current assets		5,023,014	4,559,938	4,786,385
Inventories	21	17,585	19,462	19,121
Trade and other receivables	22	938,517	638,076	603,490
Prepayments	35	6,081	10,964	6,421
Cash and cash equivalents	23	161,801	215,788	198,534
Current assets		1,123,984	884,290	827,566
Total assets		6,146,998	5,444,228	5,613,951
Equity				
Stated capital	24	1,010,870	1,010,870	350,922
Revaluation reserve	26	926,712	653,319	1,143,899
Retained earnings		338,845	320,856	420,780
Total equity		2,276,427	1,985,045	1,915,601
Liabilities				
Employee benefits obligations	28(a)	67,947	52,359	50,083
Contract liabilities	33	18,311	12,352	7,967
Deferred tax liabilities	17(d)	336,179	252,806	500,062
Loans and borrowings	27(a)	1,221,974	1,334,133	1,723,385
Deferred donor support	32	21,156	12,997	9,541
Non-current liabilities		1,665,567	1,664,647	2,291,038

	2019 Note	31 December 2018 GH¢'000	Restated 31 December 2018 GH¢'000	Restated 1 January GH¢'000
Contract liabilities	33	18,625	21,359	12,333
Bank overdraft	23	43,555	28,393	4,781
Current tax liabilities	17(b)	184,598	166,362	145,483
Loans and borrowings	27(a)	340,873	234,585	283,129
Employee benefits obligations	28(a)	3,110	3,744	2,209
Trade and other payables	29	1,498,333	1,258,699	888,589
Provisions	30	115,910	81,394	70,788
Current liabilities		2,205,004	1,794,536	1,407,312
Total liabilities		3,870,571	3,459,183	3,698,350
Total equity and liabilities		6,146,998	5,444,228	5,613,951

The financial statements were approved by the Board of Directors on July 21

2021 and signed on its behalf by:

Signature

Signature

Kathryn Blay Amihere

Name

JONATHAN AMOAKO-BAAH

Name

The notes on pages 38 - 98 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 GH¢'000	Restated 2018 GH¢'000
Revenue	9(a)	733,960	495,709
Direct costs	10	(337,339)	(373,151)
Gross profit		396,621	122,558
Other income	11	48,033	17,462
Impairment (loss)/reversal on trade receivables	37(b)	(75,000)	48,331
General and administrative expenses	14	(177,187)	(178,806)
Operating profit		192,467	9,545
Finance costs	15	(250,813)	(175,077)
Finance income	16	4,382	1,131
Loss before taxation	12	(53,964)	(164,401)
Income tax credit	17(a)	9,113	59,830
Loss for the year		(44,851)	(104,571)
Other comprehensive income:			
Items that will not be classified to profit or loss:			
Revaluation of property, plant and equipment and intangible assets	18&19	456,065	(650,494)
Remeasurement of defined benefit liabilities	28(b)	(8,615)	2,583
Related tax	17(d)	(111,217)	161,978
Other comprehensive income, net of tax		336,233	(485,933)
Total comprehensive income		291,382	(590,504)

The notes on pages 40 - 100 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Stated capital GH¢'000	Retained earnings GH¢'000	Revaluation reserve GH¢'000	Total equity GH¢'000
Balance at 1 January 2018 as previously reported	350,922	843,560	1,143,899	2,338,381
Adjustment on initial application of IFRS 9, net of tax (note 37(b))	-	(388,675)	-	(388,675)
Impact of correction of errors (note 41(A)(b))	-	(34,105)	-	(34,105)
Restated balance at 1 January 2018	350,922	420,780	1,143,899	1,915,601
Total comprehensive income for the year				
Loss for the year	-	(104,571)	-	(104,571)
Other comprehensive income for the year:				
Revaluation of property, plant and equipment and intangible assets	-	-	(650,494)	(650,494)
Remeasurement of defined benefit liabilities	-	2,583	-	2,583
Related tax	-	(645)	162,623	161,978
Total comprehensive income for the year	-	(102,633)	(487,871)	(590,504)
Transfer to retained earnings	-	2,709	(2,709)	-
Transactions with owners of the Company				
Contribution				
Loan conversion to share capital (note 27(b))	659,948	-	-	659,948
Balance at 31 December 2018	1,010,870	320,856	653,319	1,985,045
2019				
Balance at 1 January 2019 1,010,870		320,856	653,319	1,985,045
Total comprehensive income for the year				
Loss for the year	-	(44,851)	-	(44,851)
Other comprehensive income for the year:				
Revaluation of property, plant and equipment and intangible assets	-	-	456,065	456,065
Remeasurement of defined benefit liabilities	-	(8,615)	-	(8,615)
Related tax	-	2,799	(114,016)	(111,217)
Total comprehensive income for the year	-	(50,667)	342,049	291,382
Transfer to retained earnings	-	68,656	(68,656)	-
Balance at 31 December 2019	1,010,870	338,845	926,712	2,276,427

The notes on pages 40 - 100 are an integral part of these financial statements.

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2019

			Restated
		2019	2018
Cash flows from operating activities	**Note**	**GH¢'000**	**GH¢'000**
Loss after tax Adjustments for:		(44,851)	(104,571)
Depreciation of property, plant and equipment	18	159,522	133,642
Amortisation of intangible assets	19	3,160	4,000
Exchange difference on borrowings	15	209,921	142,530
Interest expense	15	16,786	16,833
Interest income on call accounts	16	(4,382)	(1,131)
Write-off of property, plant and equipment	18	15,797	70,034
Impairment loss/(reversal) on trade receivables	37(b)	75,000	(48,331)
Write-off of intangible assets	19	-	6,174
Loss/ (profit) on disposal of property, plant and equipment	18	5	(255)
Unrealised foreign currency gain		15,109	24,909
Income tax credit	17(a)	(9,113)	(59,830)
		436,954	184,004
Changes in:			
Inventories	21	1,877	(341)
Other receivables	20	2,242	515
Trade and other receivables	22	(375,441)	13,746
Trade and other payables	29	239,634	370,110
Prepayments	35	4,883	(4,543)
Contract liabilities	33	3,225	13,411
Employee benefits obligations	28	6,339	6,394
Provisions	30	34,516	10,606
Cash generated from operating activities		354,229	593,902
Tax paid	17(b)	(495)	(4,569)
Net cash from operating activities		353,734	589,333
Cash flows from investing activities			
Interest received on call accounts	16	4,382	1,131
Purchase of property, plant and equipment	18	(157,417)	(602,497)
Proceeds from sale of property, plant and equipment	18	387	453
Purchase of intangible assets	19	(1,303)	(1,116)
Net cash used in investing activities		(153,951)	(602,029)

		2019	2018
Cash flows from financing activities		**GH¢'000**	**GH¢'000**
Proceeds from donor support	32	8,159	3,456
Loan drawdown	27(b)	153,788	387,479
Principal repayment of loans and borrowings	27(b)	(378,319)	(316,932)
Repayment of interest on borrowings	27(b)	(37,451)	(42,756)
Net cash (used in)/ from financing activities		(253,823)	31,247
Net (decrease)/increase in cash and cash equivalents		(54,040)	18,551
Cash and cash equivalents at 1 January	23	187,395	193,753
Effect of exchange rate fluctuations on cash held		(15,109)	(24,909)
Cash and cash equivalents at 31 December	23	118,246	187,395

The notes on pages 40 - 100 are an integral part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. REPORTING ENTITY

Ghana Grid Company Limited (GRIDCo) ("the Company") is incorporated in Ghana as a limited liability Company and is domiciled in the Republic of Ghana. The address of its registered office is Off the Tema Aflao Road, Near Tema Steel Works, P.O. Box CS 7979, Tema. The principal activity of the Company is transmission of electricity and commercial telecommunication services. These are the individual financial statements of the Company.

2. BASIS OF PREPARATION

Statement of compliance

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

This is the first set of the Company's annual financial statements in which IFRS 16 ***Leases*** has been applied. The related changes to the significant accounting policies are described in Note 5.

Statement of measurement

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

4. USE OF JUDGEMENTS AND ESTIMATES

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the year ending 31 December 2019 is included in the following notes:

- Note 28 measurement of defined benefit obligation: key actuarial assumptions;
- Note 37(b)ii – measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions in determining the weighted average loss rate.
- Notes 30 and 36 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Indexation revaluation of property, plant and equipment

In line with international best practice, it has been the Company's policy to have its assets revalued by independent, professional valuers every five to seven years. However, in order to avoid sudden significant changes in the value of the assets base, and consequently in the return that the Company is covenanted to achieve for both the International Lending Agencies and the Government of Ghana, an indexation model was developed to uplift the asset values in the years between full physical and independent valuations.

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

(b) Measurement of fair values

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in determining fair values is included in Note 37 - financial instruments.

5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company initially applied IFRS 16 ***Leases*** from 1 January 2019. A number of other new standards are also effective from 1 January 2019, but they do not have a material effect on the Company's financial statements.

IFRS 16 Leases

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(a) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 ***Determining whether an Arrangement contains a Lease***. Under IFRS 16, the Company now assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

(b) As a lessor

The Company leases out its fibre lines to its telecommunication customers. The Company has classified these leases as operating leases. The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

The Company has applied IFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

6. SIGNIFICANT ACCOUNTING POLICIES

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

Certain comparative amounts in the statement of comprehensive income and statement of financial position have been restated, reclassified or re-presented, as a result of a correction of prior-period error or a change in the classification (Note 41).

6.1. Foreign currency transactions

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

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

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

6.2. Revenue from contracts with customers

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

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

Revenue related to transmission services is recognised overtime as the energy is delivered. It 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 to deliver the power can be measured reliably.

Telecommunication service revenue is earned from the leasing of the Company's dark and light(bandwidth) fibre-optic cables and maintenance services of these assets to customers. Revenue related to this income stream is recognised overtime upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Revenue related to fixed price leasing of fibre-optic cables is recognised based on time elapsed mode and revenue is straight lined over the contract duration.
- Revenue related to fixed price maintenance contracts where the Company is standing ready to provide services is recognised based on time

elapsed mode and revenue is straight lined over the period of performance.

Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue excludes taxes collected from customers. Contract liability is recognised when there are billings in excess of revenue.

6.3. Finance income and expenses

The Company's finance income and finance expenses include:

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

Interest income and expense is recognised, as it accrues in profit or loss, using the effective interest method.

6.4. Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

Financial assets - Business model assessment

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities- Classification, subsequent measurement and gains and losses

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

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

(iii) Derecognition Financial assets

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

Financial liabilities

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

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

(iv) Offsetting

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

Impairment of financial assets

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

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

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

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

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

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

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6.5. Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

(i) Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into or changed on or after 1 January 2019.

As a lessor

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

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

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

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

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

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

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16.

(ii) Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output.
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessor

When the Company acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

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

6.6. Property, plant and equipment

6.6.1 Recognition and Measurement

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

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

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

The surplus on revaluation is transferred to retained earnings as the relevant revalued assets is used. The amount transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. When revalued assets are retired or disposed off, the amounts included in revaluation reserve are transferred to retained earnings.

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

6.6.2. Subsequent cost

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

6.6.3. Depreciation

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

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

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

Leased assets under operating lease are amortised over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is amortised over the shorter of the estimated useful life or leased term.

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

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

6.6.4. Capital work in progress

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

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

6.7. Intangible assets

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

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

Additionally, accumulated amortisation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised either over their estimated useful lives, which does not exceed four years, or over the life of the licence.

6.8. Impairment of non-financial assets

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

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

The recoverable amount of the asset is the greater of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

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

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

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

6.9. Inventories

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

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

6.10. Share capital (Stated capital)

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

6.11. Borrowing cost

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

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

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

6.12. Provisions

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

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

6.13. Grants and donor support

Grants and donor support related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss on a systematic basis over the useful life of the asset.

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

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

6.14. Income tax

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

6.14.1 Current tax

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

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

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

6.14.2. Deferred tax

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

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

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

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

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

6.15. Employee benefits

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

6.15.1. Defined contribution plans

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

The Company has the following defined contribution schemes:

Social Security and National Insurance Trust

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

Provident Fund

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

6.15.2 Defined benefit plans

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

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

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

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

The Company has the following defined benefit plans:

Severance benefits

This defined benefit scheme entitles employees to a benefit package at the end of their service with the Company. This benefit package is paid at the point of exit on scales that have been graduated based on the length of service ranging from 10 to 40 years and more.

Post-retirement medical benefit

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

6.15.3. Other long-term employee benefits

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

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

7. Contingent liabilities

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

8. New standards and interpretations issued not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards (2018-2020)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Classification of liabilities as current or non-current (Amendments to IAS 1)

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;

- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020. Management does not expect this to have a significant impact on the Company's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

Management does not expect this to have a significant impact on the Company's financial statements.

Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

Management does not expect this to have a significant impact on the Company's financial statements.

Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37) (Cont'd)

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

Annual Improvements to IFRS Standards 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

Management does not expect this to have a significant impact on the Company's financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

Management does not expect this to have a significant impact on the Company's financial statements. The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

Management does not expect this to have a significant impact on the Company's financial statements. The amendments are to be applied retrospectively from the effective date.

9. REVENUE

a. Revenue streams

The Company generates revenue primarily from the transmission of electricity to its bulk customers and utilities companies within the country. Another source of revenue includes the income earned from leasing of Indefeasible Right of Use (IRU) of its excess dark and light fibre capacities . ***(See accounting policy in note 6.2.)***

				Restated
	2019	**2018**	**2019**	**2018**
	GWH	**GWH**	**GH¢'000**	**GH¢'000**
Total transmission	16,958	15,960		
Sub-station usage	9	9		
Revenue from transmission services			721,966	490,470
Revenue from telecommunication services			11,994	5,239
			733,960	495,709

b. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by type of customer and primary geographical market.

		Restated
	2019	**2018**
	GH¢'000	**GH¢'000**
Type of customer		
Contract revenue from related parties	538,918	397,223
Contract revenue from third parties	195,042	98,486
	733,960	495,709
Primary geographical market		
Local revenue	621,291	447,358
Export revenue	112,669	48,351
	733,960	495,709

c. Performance obligations and revenue recognition policies

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

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Transmission services	The nature of the promise to transfer energy is that of a standready obligation. Energy transmitted is generally expressed in monthly volumes and prices determined/fixed by the regulatory body. The transmission of electricity represents a single performance obligation that represents a promise to transfer to the customer a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer. Invoices for transmission services are issued on a monthly basis and are usually payable within 30 days.	Revenue is recognised over time as the performance obligations of delivering energy to customers are satisfied.
Telecommunication services	Telecommunication service represents the selective leasing and maintenance of fibre optic cables. The Company and customer enter into an agreement which outlines the date of agreement, end date , contract price , payment terms and the assignment of rights from the Company to the customer. Management has identified the promise in the telecommunication service to be the transfer of the right of use of the Company's fibre optic cables by the customer and maintenance services thereon. Management believes the service holds standalone value to the customer as it is not dependent on any other services for functionality purposes and therefore distinct within the context of the contract. The transaction price is set at a fixed dollar amount per each fibre ceded and is explicitly stated in each contract. Revenue from telecommunication service is recognised on a straight-line basis based on the contract amount and duration stated in the amount. Consideration received at the inception of the contract is recognise in contract liabilities and release to revenue base on the duration of the contract.	Revenues related to the telecommunication service are recognised over time based on the service period stated in the contract. Transaction price for each performance obligation (leasing of fibre cables and maintenance) are separately identified and amortised on a straight-line basis.

10. DIRECT COSTS

	2019	2018
	GH¢'000	GH¢'000
Staff cost (Note 13)	135,349	92,074
Materials and spares consumed	1,738	1,786
Maintenance and other direct cost	35,398	46,132
Depreciation of property, plant and equipment (note 18)	116,339	115,939
Cost of fibre lease	640	-
Write-off of property, plant and equipment (note 18)	-	64,300
Transmission loss	47,875	52,920
	337,339	373,151

Transmission losses for the year ended 31 December 2019 was 843 GWH (2018: 707 GWH).

11. OTHER INCOME

	2019	Restated 2018
	GH¢'000	GH¢'000
Exchange gain	16,375	15,062
Donated assets*	29,663	-
Sundry income	1,995	2,400
	48,033	17,462

*Donated assets represents value of asset received from customers for no consideration and without conditions or restriction attached.

12. LOSS BEFORE TAXATION

is stated after charging:

	2019	Restated 2018
	GH¢'000	GH¢'000
Directors remuneration	1,073	410
Auditor's remuneration	200	204
Depreciation and amortisation	162,682	137,642
Personnel costs (Note 13)	202,279	182,857

13. PERSONNEL COSTS

	2019	Restated 2018
	GH¢'000	GH¢'000
Wages and salaries	155,691	139,463
Social security contributions	9,832	8,793
Provident fund contributions	15,470	14,075
Defined benefit plan	1,608	1,574
Other long-term employee benefits	3,807	958
Casual labour	4,762	4,152
Other staff expenses	11,109	13,842
	202,279	182,857
Allocation of staff cost:		
Staff cost allocated to direct cost (note 10)	135,349	92,074
Staff cost allocated to general and administrative expenses	66,930	90,783
	202,279	182,857

The total number of staff employed by the Company by the end of the year was 881 (2018: 917).

14. GENERAL AND ADMINISTRATIVE EXPENSES

	2019	Restated 2018
	GH¢'000	GH¢'000
Directors emoluments	1,073	410
Staff cost	66,930	90,783
Materials consumed	2,277	485
Write down of inventories	554	-
Other administrative cost	44,008	53,568
Depreciation of property, plant and equipment (note 18)	43,183	17,703
Amortisation of intangible assets (note 19)	3,160	4,000
Write-off of property, plant and equipment and intangible assets (note 18 & 19)	15,797	11,653
Loss on disposal	5	-
Auditors remuneration	200	204
	177,187	178,806

15. FINANCE COSTS

	2019 GH¢'000	Restated 2018 GH¢'000
Exchange loss on other advances	16,026	8,155
Interest on loans and overdrafts	16,786	16,833
Exchange loss on loans and borrowings	209,921	142,530
Finance cost on defined benefit obligations	8,080	7,559
	250,813	175,077

16. FINANCE INCOME

	2019 GH¢'000	Restated 2018 GH¢'000
Interest income	4,382	1,131

17. TAXATION

a. Income tax credit

	2019 GH¢'000	Restated 2018 GH¢'000
Current income tax expense	18,731	25,448
Deferred income tax credit	(27,844)	(85,278)
	(9,113)	(59,830)

b. Current tax liabilities

Year ended 31 December 2019

	Balance 1 January as Restated GH¢'000	Charge to profit or loss GH¢'000	Payment during the year GH¢'000	Balance 31 December GH¢'000
2008 to 2016	151,591	-	-	151,591
2017	(6,108)	-	-	(6,108)
2018	20,879	-	-	20,879
2019	-	18,731	(495)	18,236
	166,362	18,731	(495)	184,598

b. Current tax liabilities (cont'd)

Year ended 31 December 2018 (Restated)

	Balance 1 January	Charge to profit or loss	Payment during the year	Balance 31 December Restated
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2008 to 2016	151,591	-	-	151,591
2017	(6,108)	-	-	(6,108)
2018	-	25,448	(4,569)	20,879
	145,483	25,448	(4,569)	166,362

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

c. Reconciliation of effective tax rate

	2019	Restated 2018
	GH¢'000	GH¢'000
Profit /(Loss) before income tax	(53,964)	(164,401)
Income tax using the corporate tax rate of 25%	(13,491)	(41,100)
Non-taxable income	-	(56)
Derecognition of previously recognised taxable temporary difference	-	(6,954)
Recognition of previously unrecognised deductible temporary differences	-	(11,720)
Expenses not deductible for tax purposes	4,378	-
Income tax credit	(9,113)	(59,830)
Effective tax rate	17%	36%

d. Movement in deferred tax balance during the year

	2019	Restated 2018
	GH¢'000	GH¢'000
Balance as at 1 January	252,806	500,062
Credit to income statement	(27,844)	(85,278)
Charge/(credit) to OCI	111,217	(161,978)
Balance as at 31 December	336,179	252,806

e. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

2019	Balance at 1 January Net GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Balance at 31 December GH¢'000	Assets GH¢'000	Liabilities GH¢'000
Property, plant and equipment	94,151	33,559	-	127,710	-	127,710
Provision for doubtful debt	(104,573)	(18,750)	-	(123,323)	(123,323)	-
Employee benefit obligations	(14,026)	(939)	(2,799)	(17,764)	(17,764)	-
Resettlement provision	(20,349)	(7,735)	-	(28,084)	(28,084)	-
Excess financial cost -2019	-	(32,946)	-	(32,946)	(32,946)	-
Provisions - legal	-	(894)	-	(894)	(894)	-
Provision for slow moving goods	-	(139)	-	(139)	(139)	-
Revaluation surplus on property, plant and equipment	297,603	-	114,016	411,619	-	411,619
Net tax (assets)/liabilities	252,806	(27,844)	111,217	336,179	(203,150)	539,329
Restated 2018						
Property, plant and equipment	82,482	11,669	-	94,151	-	94,151
Provision for doubtful debt	(19,905)	(84,668)	-	(104,573)	(104,573)	-
Employee benefit obligations	(13,073)	(1,598)	645	(14,026)	(14,671)	645
Tax losses carried forward	(9,668)	9,668	-	-	-	-
Resettlement provision	-	(20,349)	-	(20,349)	(20,349)	-
Revaluation surplus on property, plant and equipment	460,226	-	(162,623)	297,603	-	297,603
Net tax (assets)/liabilities	500,062	(85,278)	(161,978)	252,806	(139,593)	392,399

18. PROPERTY, PLANT AND EQUIPMENT

Cost/valuation	Transmission assets GH¢'000	Freehold land GH¢'000	Leasehold land GH¢'000	Buildings GH¢'000	Motor vehicles GH¢'000	Computers GH¢'000	Miscellaneous plant & office equipment GH¢'000	Capital work-in progress GH¢'000	Total GH¢'000
Balance as at 1 January 2018	4,826,018	16,129	25,817	177,780	152,676	6,136	7,445	1,837,816	7,049,817
Write-off	(122,048)	-	-	(6,172)	(2,072)	(640)	-	-	(130,932)
Disposal	-	-	-	-	(1,684)	-	(215)	-	(1,899)
Transfers from Capital Works	598,968	-	25,249	20,133	2,754	345	5,906	(653,355)	-
Reclassification from CWIP to intangible assets	-	-	-	-	-	-	-	(5,758)	(5,758)
Gross revaluation adjustment*	(2,159,139)	-	(8,245)	(34,116)	**(130,710)**	(5,205)	(4,934)	-	**(2,342,349)**
Revaluation surplus	(765,580)	29,944	94,024	(30,641)	22,085	4,160	(606)	-	(646,614)
Additions	49,118	-	-	81	15,091	242	1,565	571,397	637,494
Restated balance 31 December 2018	**2,427,337**	**46,073**	**136,845**	**127,065**	**58,140**	**5,038**	**9,161**	**1,750,100**	**4,559,759**
Balance as at 1 January 2019	2,427,337	46,073	136,845	127,065	58,140	5,038	9,161	1,750,100	4,559,759
Disposal	-	-	-	-	(2,576)	-	-	-	**(2,576)**
Transfers from Capital Works	293,591	-	-	-	887	-	3,876	(298,354)	-
Reclassification from CWIP to intangible assets	-	-	-	-	-	-	-	(5,382)	(5,382)
Additions	27,338	-	-	672	1,673	910	173	156,055	186,821
Write-off	-	-	-	-	-	-	-	(15,797)	(15,797)
Gross revaluation adjustment*	(5,245)	-	-	(1,188)	(442)	(518)	(557)	-	(7,950)
Revaluation surplus	423,185	-	-	21,055	9,373	549	1,075	-	455,237
Balance 31 December 2019	**3,166,206**	**46,073**	**136,845**	**147,604**	**67,055**	**5,979**	**13,728**	**1,586,622**	**5,170,112**

Accumulated depreciation	Transmission assets GH¢'000	Freehold land GH¢'000	Leasehold land GH¢'000	Buildings GH¢'000	Motor vehicles GH¢'000	Computers GH¢'000	Miscellaneous plant & office equipment GH¢'000	Capital work-in progress GH¢'000	Total GH¢'000
Balance as at 1 January 2018	2,111,605	-	7,067	31,720	123,806	5,403	4,157	-	2,283,758
Write-off	(57,749)	-	-	(574)	(2,042)	(533)	-	-	(60,898)
Disposal	-	-	-	-	(1,488)	-	(213)	-	(1,701)
Gross revaluation adjustment*	(2,159,139)	-	(8,245)	(34,116)	(130,710)	(5,205)	(4,934)	-	(2,342,349)
Charge for the year	115,939	-	1,178	4,493	10,555	337	1,140	-	133,642
Balance at 31 December 2018	**10,656**	**-**	**-**	**1,523**	**121**	**2**	**150**	**-**	**12,452**
Balance as at 1 January 2019	10,656	-	-	1,523	121	2	150	-	12,452
Disposal	-	-	-	-	(2,184)	-	-	-	(2,184)
Gross revaluation adjustment*	(5,245)	-	-	(1,188)	(442)	(518)	(557)	-	(7,950)
Charge for the year	116,339	-	4,989	6,202	24,975	3,986	3,031	-	159,522
Balance at 31 December 2019	**121,750**	**-**	**4,989**	**6,537**	**22,470**	**3,470**	**2,624**	**-**	**161,840**
Carrying amounts									
At 31 December 2019	3,044,456	46,073	131,856	141,067	44,585	2,509	11,104	1,586,622	5,008,272
Restated at 31 December 2018	2,416,681	46,073	136,845	125,542	58,019	5,036	9,011	1,750,100	4,547,307

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

** During the year, a total amount of GH¢29.40 million (2018: GH¢35.00 million) representing qualifying borrowing costs was capitalised and included in the additions to capital work-in progress.

18. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of depreciation charged to profit or loss:

	2019	2018
	GH¢'000	GH¢'000
Included in direct costs (note 10) – depreciation of transmission and other related assets	116,339	115,939
Included in general and administrative expense (note 14)	43,183	17,703
Total depreciation charge for the year	159,522	133,642

(Profit)/loss on disposal of property, plant and equipment

Cost on disposal	2,576	1,899
Accumulated depreciation on disposal	(2,184)	(1,701)
Carrying amount on disposal	392	198
Proceeds on disposal	(387)	(453)
Loss/(profit) on disposal	5	(255)

Revaluation of Property, plant and equipment

On a monthly basis management determines the fair value of the Company's property, plant and equipment using the indexation method. Valuation by an independent valuer is done every five to seven years, with the most recent being in 31 December 2018.

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

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

	Transmission assets	Freehold land	Leasehold land	Buildings	Motor vehicles	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
Cost	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as at 1 January 2019	2,024,412	420	26,457	54,194	72,320	2,442	11,055	1,750,100	3,941,400
Additions	27,338	-	-	672	1,673	910	173	156,055	186,821
Transfers from CWIP	293,591	-	-	-	887	-	3,876	(298,354)	-
Disposals	-	-	-	-	(2,576)	-	-	-	(2,576)
Reclassification from CWIP to intangible assets	-	-	-	-	-	-	-	(5,382)	(5,382)
Write-off	-	-	-	-	-	-	-	(15,797)	(15,797)
Balance at 31 December 2019	**3,834,158**	**420**	**26,457**	**54,866**	**72,304**	**3,352**	**15,104**	**3,336,722**	**7,343,383**
Balance as at 1 January 2019	535,595	-	-	8,014	40,643	1,602	1,866	-	587,720
Charge for the year	69,769	-	-	1,601	7,927	395	2,821	-	82,513
Release on disposal	-	-	-	-	(2,184)	-	-	-	(2,184)
Balance at 31 December 2019	**605,364**	**-**	**-**	**9,615**	**46,386**	**1,997**	**4,687**	**-**	**668,049**
Carrying amounts									
At 31 December 2019	3,228,794	420	26,457	45,251	25,918	1,355	10,417	3,336,722	6,675,334
Restated at 31 December 2018	1,488,817	420	26,457	46,180	31,677	840	9,189	1,750,100	3,353,680

Gross carrying amount of fully depreciated assets still in use

At 31 December 2019, property, plant and equipment with a gross carrying amount of GH¢22.20 million (2018: GH¢5.90 million) were fully depreciated and still in use by the Company.

Sensitivity analysis of the carrying amounts of Property, plant and equipment to the indexation assumptions

Reasonable possible changes at the reporting date to one of the relevant indexation assumptions, holding other assumptions constant, would have affected the carrying amounts shown below:

	Increase	Decrease
	GH¢'000	GH¢'000
Consumer price index (1% movement)	29,438	(29,620)
GH¢ to USD exchange rate (5% movement)	147,554	(147,736)

19. INTANGIBLE ASSETS

Software		2019			2018	
	Software	Capital work-in progress	Total	Software	Restated Capital work-in progress	Restated Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost/valuation						
Balance as at 1 January	5,378	476	5,854	15,643	-	15,643
Additions	-	1,303	1,303	640	476	1,116
Reclassification from PPE	5,382	-	5,382	5,758	-	5,758
Write-off	-	-	-	(10,433)	-	(10,433)
Gross revaluation adjustment*	(110)	-	(110)	(2,350)	-	(2,350)
Revaluation surplus	828	-	828	(3,880)	-	(3,880)
At 31 December	11,478	1,779	13,257	5,378	476	5,854
Amortisation						
Balance as at 1 January	551	-	551	3,160	-	3,160
Write-off	-	-	-	(4,259)	-	(4,259)
Gross revaluation adjustment*	(110)	-	(110)	(2,350)	-	(2,350)
Charge for the year	3,160	-	3,160	4,000	-	4,000
At 31 December	3,601	-	3,601	551	-	551
Carrying amount at 31 December	7,877	1,779	9,656	4,827	476	5,303

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

If management had used cost model for measuring the intangible assets the carrying amounts of these of assets would have been as disclosed in note 19(a) below:

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

Software

	2019		
	Software	**Capital work-in progress**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**
Cost			
Balance as at 1 January	10,789	476	11,265
Additions	-	1,303	1,303
Reclassification from PPE	5,382	-	5,382
At 31 December	16,171	1,779	17,950
Amortisation			
Balance as at 1 January	2,746	-	2,746
Write-off	-	-	-
Charge for the year	6,527	-	6,527
At 31 December	9,273	-	9,273
Carrying amount			
At 31 December 2019	6,898	1,779	8,677
Restated at 31 December 2018	8,043	476	8,519

Sensitivity analysis of the carrying amounts of intangible assets to the indexation assumptions

Reasonable possible changes at the reporting date to one of the relevant indexation assumptions, holding other assumptions constant, would have affected the carrying amounts shown below:

	Increase	Decrease
	GH¢'000	GH¢'000
GH¢ to USD exchange rate (5% movement)	164	(100)

20. OTHER RECEIVABLES

	2019	2018
	GH¢'000	GH¢'000
Staff loans	5,086	7,328

The amount set out above represent non-current portion of staff loans.

21. INVENTORIES

	2019	2018
	GH¢'000	GH¢'000
Consumables and spare parts	17,585	19,462

In 2019, inventories of GH¢4.02 million (2018: GH¢2.27 million) were recognised in profit or loss. Of the amount recognised in profit or loss during year, GH¢1.74 million (2018: GH¢1.79 million) was recognised in "direct costs" while GH¢2.28 million (2018:GH¢0.48 million) was recognised in "general and administrative expenses".

In addition, inventories have been reduced by GH¢0.55 million (2018: GH¢ nil) as a result of the write- down to net realisable value. This write-down was recognised as an expense in "general and administrative expenses" during 2019. There were no inventories pledged as securities.

22. TRADE AND OTHER RECEIVABLES

		Restated
	2019	2018
	GH¢'000	GH¢'000
Trade receivables due from related parties	1,341,360	1,001,330
Trade receivables	80,990	46,507
Impairment of trade receivables	(493,294)	(418,294)
Net trade receivables	929,056	629,543
VAT receivables	8,971	7,790
Other receivables	23	15
Staff loans	467	728
	938,517	638,076

The maximum amount of staff loans during the year did not exceed GH¢737,870 (2018: GH¢371,670). All trade debtors and other receivables are current and their carrying amounts approximate their fair value. Information about the Company's exposure to credit and market risk and impairment loss for trade and other receivables is included in note 37(b)ii.

23. CASH AND CASH EQUIVALENTS

	2019	2018
	GH¢'000	GH¢'000
Call account	1,273	1,257
Cash on hand	57	21
Cash at banks	160,471	214,510
	161,801	215,788

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

Cash and cash equivalents	161,801	215,788
Bank overdraft	(43,555)	(28,393)
	118,246	187,395

24. STATED CAPITAL

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

	2019	2018
Ordinary shares:	-	-
Authorised	11,000,000	11,000,000
Issued	10,010,000	10,010,000

ii. Proceeds from the issued shares are as follows:

	2019	2018
Ordinary shares:	**GH¢'000**	**GH¢'000**
Issued for cash	1	1
Consideration other than cash	1,010,869	1,010,869
Total	1,010,870	1,010,870

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

25. RETAINED EARNINGS

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

26. REVALUATION RESERVE

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

27. LOANS AND BORROWINGS

a. Loan balances

	2019	2018
		GH¢'000
Current portion	**GH¢'000**	**Restated**
Short and medium term loans due within one year	340,873	234,585
Non-Current Portion		
Short and medium term loans due two to five years	434,950	921,828
Loans due over 5 years	787,024	412,305
	1,221,974	1,334,133
Balance at 31 December	1,562,847	1,568,718

b. Loans and borrowings – Movement in loan balances

2019 Lender	Balance as at 01.01.2019 GH¢'000	Drawings/ unpaid interest GH¢'000	Repayment GH¢'000	Exchange Variation GH¢'000	Balance as at 31.12.2019 GH¢'000
Societe Generale France	132,551	816	(22,911)	15,356	125,812
Societe Generale France	102,970	644	(15,951)	11,764	99,427
Nordea Bank	120,791	1,574	(6,496)	14,954	130,823
Ecobank Ghana	165,250	-	(95,734)	21,084	90,600
Cal Bank Ghana	31,661	132	(19,291)	3,807	16,309
Bank of Africa	22,271	67	(15,585)	1,978	8,731
Agence Francaise de Development	503,678	5,600	(45,100)	71,241	535,419
IDA 4971 GH (WB)	116,029	6,333	(416)	15,118	137,064
IBISTEK - Afienya Substation	14,682	194	(7,352)	1,297	8,821
Export-Import Bank of Korea	308,812	5,550	-	47,068	361,430
Stanbic Bank Ghana	1,341	-	(1,341)	-	-
Ecobank Ghana STL	48,682	132,733	(139,258)	6,254	48,411
Standard Chartered Bank	-	17,000	(17,000)	-	-
	1,568,718	170,643	(386,435)	209,921	1,562,847

2018 Lender	Balance as at 01.01.2018 GH¢'000	Drawings/ unpaid interest GH¢'000	Repayment GH¢'000	Exchange Variation GH¢'000	Converted to equity GH¢'000	Balance as at 31.12.2018 GH¢'000
Rand Merchant Bank	18,218	221	(18,422)	(17)	-	-
Societe Generale France	151,594	2,181	(27,128)	5,904	-	132,551
Societe Generale France	116,899	1,698	(20,310)	4,683	-	102,970
HSBC	5,899	119	(6,248)	230	-	-
Nordea Bank	132,688	2,235	(19,274)	5,142	-	120,791
Ecobank Ghana STL	23,852	121,258	(99,460)	3,032	-	48,682
Cal Bank Ghana	43,722	3,289	(18,599)	3,249	-	31,661
Bank of Africa	34,152	2,547	(15,505)	1,077	-	22,271
Agence Francaise de	355,910	149,367	(44,064)	42,465	-	503,678
Development IDA 4971 GH (WB)	85,312	24,738	-	5,979	-	116,029
IBISTEK - Afienya Substation	19,810	5,460	(11,264)	676	-	14,682
Export-Import Bank of Korea	178,857	111,770	-	18,185	-	308,812
Stanbic Bank Ghana	3,708	567	(2,934)	-	-	1,341
Ecobank Ghana	213,595	-	(65,035)	16,690	-	165,250
Ministry of finance- On lending	63,658	2,906	-	2,861	(69,425)	-
Kuwait Fund 657	37,249	3,120	-	1,707	(42,076)	-
IDA CR4092	192,584	(22,631)	-	9,996	(179,949)	-
IDA CR4213	187,623	18,653	-	11,125	(217,401)	-
African Development Bank	88,199	74	-	5,953	(94,226)	-
AFD B-GEDAP	52,986	292	-	3,593	(56,871)	-
	2,006,515	427,864	(348,243)	142,530	(659,948)	1,568,718

b. Loans and borrowings – Movement in loan balances

Included in the drawdown/ unpaid interest is an amount of GH¢16.855 million (2018: GH¢40.386 million) in respect of accrued interest during the year. During the year, a total amount of GH¢16.79 million (2018: GH¢16.83 million) and GH¢29.40 million (2018: GH¢35.00 million) was expensed and capitalised to property, plant and equipment during the year respectively. Also, included in the repayment is an amount of GH¢8.116 million (2018: GH¢31.311 million) relating to payment of accrued interest.

c. Terms and repayment schedule

The terms and conditions of outstanding loans are as follows;

				31 December 2019		31 December 2018	
Lender	**Currency**	**Nominal interest rate**	**Year of maturity**	**Contract Amount**	**Carrying amount**	**Contract Amount**	**Carrying Amount**
				GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Societe Generale France	EUR	EURIBOR + 1.75%	2023	299,069	125,812	265,447	132,551
Societe Generale France	EUR	EURIBOR + 1.75%	2024	211,526	99,427	187,746	102,970
Nordea Bank	EUR	EURIBOR + 1.94%	2025	211,188	130,823	187,445	120,791
Ecobank Ghana	USD	5%	2021	442,696	90,600	385,600	165,250
Cal Bank Ghana	USD	9.5%	2020	88,539	16,309	77,120	31,661
Bank of Africa	EUR	9%	2020	71,121	8,731	63,125	22,271
Agence Francaise de Development	USD	5%	2032	962,310	535,419	838,198	503,678
IDA 4971 GH (WB)	SDR	4.5%	2046	122,435	137,064	107,243	116,029
IBISTEK - Afienya Substation	USD	6.5%	2019	49,137	8,821	42,800	14,682
Export-Import Bank of Korea	USD	0.50%	2050	372,053	361,430	324,068	308,812
Stanbic Bank Ghana	GHS	17.61%	2019	12,345	-	12,345	1,341
Ecobank Ghana STL	USD	13%	2019	-	48,411	-	48,682
Standard Chartered Bank	GHS	21%	2019	17,000	-	-	-
Total loans				2,859,419	1,562,847	2,491,137	1,568,718

d. Breach of loan covenant

The Company has a loan with Agence Française de Développement (AFD) with a carrying amount of GH¢535.60 million (2018:GH¢503.68 million) as at 31 December 2019. The loan is repayable twice yearly over fifteen years. During the year ended 31 December 2019, the Company defaulted in making the total principal and interest payment of US$ 7,659,674 and US$ 4,361,015 on time as per the loan agreement. However, this breach was remedied before the end of the year as the repayments were made before year end.

The table below shows the covenant levels the Company is required to comply with and the actual levels attained for the year ended 31 December 2019;

Ratio	Covenant level	Actual level
Net Indebtedness to EBITDA Ratio	<=4.50	3.76
Leverage Ratio	<=0.65	0.41
Debt Service Coverage Ratio (DSCR)	>=1.40	1.46
Current ratio	>=1.30	0.51

The Company breached the current ratios.

The following are the implication of the breach;

1. Suspend or postpone drawdowns under the facility and /or;
2. Suspend the finalisation of the agreements relating to any potential additional financing offers which have been notified by the Lender to the borrower and /or
3. Postpone or suspend any drawdown under any other facility or loan agreement entered into between the borrower and the lender activate the acceleration clause to declare that all or part of the facility, together with accrued or outstanding interest and all other amounts outstanding under the agreement, shall become immediately due and payable

The table below shows the remaining loan defaults as at the end of the year;

Lender	Default principal	Default interest
	GH¢'000	GH¢'000
Societe Generale France	5,952	414
Societe Generale France	4,203	325
Nordea Bank	10,989	1,574
IBISTEK - Afienya Substation	8,627	194

All of the above defaults had been remedied as at the date of the authorisation of these financial statements.

28. EMPLOYEE BENEFITS

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

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

Post-employment benefits

i. Severance benefits

This defined benefit scheme entitles employees to a benefit package at the end of their service with the Company. This benefit package is paid at the point of exit based on the length of service ranging from 10 to 40 years. The package is determined as a product of a percentage of annual salary of the qualifying employee at point of exit and bundles of roofing sheets. The percentage and number of bundles applied are respectively dependent on the length of service at the point of retirement.

ii. Post-retirement medical benefit

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

Other long-term employee benefits - Long service awards

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

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

	2019	Restated 2018
	GH¢'000	**GH¢'000**
Long-service award	23,492	20,566
Severance benefit	9,934	9,541
Post-retirement medical benefit	37,631	25,996
Total employee benefit liabilities	71,057	56,103
Non-current	67,947	52,359
Current	3,110	3,744
	71,057	56,103

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

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

Long-service award	2019 GH¢'000	Restated 2018 GH¢'000
Balance at 1 January	20,566	19,123
Included in profit or loss: Current service cost	1,892	1,847
Net interest	2,864	2,694
Actuarial loss (gain) arising from:		
- Financial assumptions	(48)	-
- Other sources	1,962	(889)
	6,670	3,652
Benefits paid	(3,744)	(2,209)
Balance at 31 December	23,492	20,566

Severance benefit	2019 GH¢'000	Restated 2018 GH¢'000
Balance at 1 January	9,541	9,909
Included in profit or loss: Current service cost	539	547
Net interest	1,316	1,375
	1,855	1,922
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	(15)	-
- Other sources	1,379	(1,263)
	1,364	(1,263)
Benefits paid	(2,826)	(1,027)
Balance at 31 December	9,934	9,541

Post-retirement medical benefit

	2019 GH¢'000	Restated 2018 GH¢'000
Balance at 1 January	25,996	23,260
Included in profit or loss:		
Current service cost	1,069	1,027
Net interest	3,899	3,489
	4,968	4,516
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	(136)	-
- Other sources	7,387	(1,320)
	7,251	(1,320)
Benefits paid	(584)	(460)
Balance at 31 December	37,631	25,996

Total benefits

	2019 GH¢'000	Restated 2018 GH¢'000
Balance at 1 January	56,103	52,292
Included in profit or loss		
Current service cost	3,500	3,421
Net interest	8,079	7,558
Actuarial loss (gain) arising from:		
- Financial assumptions	(48)	-
- Other sources	1,962	(889)
	13,493	10,090
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	(151)	-
- Other sources	8,766	(2,583)
	8,615	(2,583)
Benefits paid	(7,154)	(3,696)
Balance at 31 December	71,057	56,103

c. Defined benefit obligations – actuarial assumptions

The following are the actuarial assumptions at the reporting date;

	2019	Restated 2018
Principal assumptions:		
Discount rate	14%	15%
Salary inflation rate	11%	12%
Other assumptions:		
Nominal inflation gap	3%	3%
Net effective inflation gap	2.70%	2.68%
Retirement age	60 years	60 years

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

d. Defined benefit obligations- sensitivity analysis

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

	31 December 2019		31 December 2018	
	Increase	Decrease	Increase	Decrease
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Discount rate (1% movement)	(5,934)	6,995	(4,450)	5,225
Salary inflation rate (1% movement)	7,162	(6,158)	5,347	(4,615)

29. TRADE AND OTHER PAYABLES

	2019	Restated 2018
	GH¢'000	GH¢'000
Trade payables due to related parties	1,040,515	825,524
Other trade payables	288,534	268,315
Payroll liabilities	109,482	92,472
Statutory payables	37,523	61,379
Accrued expenses	22,279	11,009
	1,498,333	1,258,699

30. PROVISIONS

	2019			2018	
	Resettlement compensation	Legal	Total	Resettlement compensation	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
1 January as Restated	81,394	-	81,394	70,788	70,788
Provisions made during the year	39,360	3,577	42,937	68,503	68,503
Payments during the year	(8,421)	-	(8,421)	(57,897)	(57,897)
	112,333	3,577	115,910	81,394	81,394

Compensation payments provision represents the compensation payments to be made to affected persons whose land and properties had been encroached by the Company as a result of constructing transmission assets.

Legal provisions represent claims brought against the Company by third parties.

31. 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, Volta Aluminium Company Limited, Akosombo Textiles Limited, Bui Power Authority and Ghana Water Company Limited through common shareholding.

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

	2019	2018
(i) Provision of transmission services:	GH¢'000	GH¢'000
Electricity Company of Ghana Limited	444,915	328,314
Volta River Authority	2,874	1,989
Northern Electricity Distribution Company Limited	54,437	39,909
Volta Aluminium Company Limited	33,946	24,893
Akosombo Textiles Limited	105	57
Bui Power Authority	177	112
Ghana Water Company Limited	2,463	1,949
	538,917	397,223

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

	2019	2018
(a) Loans and advances due from related parties:	GH¢'000	GH¢'000
Long-term portion of staff loan (note 20)	5,086	7,328
Short-term staff advances (note 22)	467	728
	5,553	8,056

During the year the finance income recognised on staff loans in profit and loss was GH¢2,986,100.

(b) Receivables from related parties:	2019	Restated 2018
	GH¢'000	GH¢'000
Electricity Company of Ghana Limited	851,121	627,848
Volta Aluminium Company Limited	254,873	190,714
Northern Electricity Distribution Company Limited	227,327	176,458
Akosombo Textiles Limited	463	525
Bui Power Authority	5,734	5,443
Ghana Water Company Limited	1,842	342
	1,341,360	1,001,330
Total amounts due from related parties	**1,346,913**	**1,009,386**

As at the end of the year the impairment on receivables from related parties was GH¢362.55 million.

(c) Payables to related parties:

	2019	Restated 2018
	GH¢'000	GH¢'000
Volta River Authority (VRA)	433,822	386,597
Public Utilities Regulatory Commission (PURC)	432,003	344,898
	865,825	731,495
(d) Advances from related parties:		
Volta River Authority (VRA)	107,272	94,029
Ghana National Petroleum Corporation	67,418	-
	174,690	94,029
Total amount due to related parties	1,040,515	825,524

(e) Compensation of key management personnel of the Company	2019 GH¢'000	2018 GH¢'000
Salaries and wages	13,036	13,313
Employer's pension contribution	1,538	1,487
	14,574	14,800

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

	2019	2018
	GH¢'000	GH¢'000
Balance as at 1 January	12,997	9,541
Receipts during the year	8,159	3,456
As at 31 December	21,156	12,997

33. CONTRACT LIABILITIES

		Restated
	2019	2018
	GH¢'000	GH¢'000
Contract liabilities from fibre lease *	18,311	12,352
Advance from transmission customers **	18,625	21,359
	36,936	33,711
Current	18,625	21,359
Non- Current	18,311	12,352
	36,936	33,711

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

** Advance from transmission customers represents monies received from or services rendered on the Company's behalf by its transmission customers. Some of these advances are to be off-set against future transmission service charges to be paid by these customers while others are to be paid by cash by the Company to the customers. No information is provided about remaining performance obligations at 31 December 2019 or at 31 December 2018 that have an original expected duration of one year or less, as allowed by IFRS 15.

33. CONTRACT LIABILITIES (CONT'D)

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

	2019	2018
	GH¢'000	GH¢'000
Balance as at 1 January	12,352	8,596
Receipts during the year	14,084	4,404
Revenue recognised for the year	(8,125)	(648)
As at 31 December	18,311	12,352

During the year a total amount of GH¢1,347,253 (2018:GH¢628,964) recognised in profit or loss was included in the contract liability balance at the beginning of the period.

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

	2019
	GH¢'000
Balance as at 1 January	21,359
Receipts during the year	18,037
Revenue recognised for the year	(19,159)
Repayment	(4,110)
Exchange loss	2,498
As at 31 December	18,625

34. LEASES

Leases as lessor

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

The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 6.5. sets out information about the operating leases of the fibre lines.

The Rental income recognised by the Company during 2019 was GH¢ 8,124,690 (2018: GH¢2,316,327). The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2019
	GH¢'000
2019 operating lease under IFRS 16	
Less than one year	6,338
One to two years	744
Two to three years	3,117
Three to four years	3,354
Four to five years	3,936
More than five years	22,376
Total	39,865

34. LEASES (CONT'D)

	2018
	GH¢'000
2018 Operating lease under IAS 17	
Less than one year	302
between one to five years	4,022
More than five years	8,551
Total	12,875

35. PREPAYMENT

	2019	2018
	GH¢'000	GH¢'000
Insurance	1,473	1,370
Advances*	4,608	9,594
	6,081	10,964

*Advances relates to advances made for supplies.

36. CONTINGENCIES AND COMMITMENTS

(a) Letters of credit

As at 31 December 2019, the Company had the following letters of credit:

	2019	2018
	GH¢'000	GH¢'000
Ecobank Ghana Limited	16,372	-
GCB Bank Limited	-	29,410
	16,372	29,410

(b) Contingent liabilities

The contingent liabilities at the reporting date was GH¢173.21 million (2018: nil). Of the contingencies, GH¢ 171.33 million relates to claim by a third party which is in dispute. The liability is not admitted by GRIDCo and management believes that it is not probable that this claim would result in any future settlement by the Company. GH¢1.88 million relates to estimated resettlement compensation that are in legal dispute. Based on legal advice, management believes that this is the best estimate that the Company would possibly be exposed to.

(c) Commitments

Capital commitments at the balance sheet date is GH¢1,990 million (2018: GH¢204 million). This is in respect of the construction of transmission assets.

37. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

a. Accounting classification and fair values

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

	Financial assets amortised cost	Other financial liabilities	Total
31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets			
Other receivables	5,086	-	5,086
Trade and other receivables*	929,544	-	929,544
Cash and cash equivalent	161,801	-	161,801
	1,096,431	-	1,096,431
Financial liabilities			
Trade and other payables**	-	1,460,810	1,460,810
Loans and borrowings	-	1,562,847	1,562,847
Bank overdraft	-	43,555	43,555
Advances from customers***	-	16,976	16,976
	-	3,084,188	3,084,188

	Financial assets amortised cost	Other financial liabilities	Total
31 December 2018	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets			
Other receivables	7,328	-	7,328
Trade and other receivables*	630,286	-	630,286
Cash and cash equivalent	215,788	-	215,788
	853,402	-	853,402
Financial liabilities			
Trade and other payables**	-	1,197,320	1,197,320
Borrowings	-	1,568,718	1,568,718
Bank overdraft	-	28,393	28,393
Advances from customers***	-	17,074	17,074
	-	2,811,505	2,811,505

*- Trade and other receivables exclude VAT receivables of GH¢8.97 million (2018: GH¢7.79 million).

**- Trade and other payables exclude statutory liabilities of GH¢37.52 million (2018: GH¢61.38 million)

***- Advances from customers represents those customer advances to be settled with cash by GRIDCo.

b. Financial Risk Management

(i) Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

The Company, through its training and management standards and procedures, continues to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

(ii) Credit risk

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

Exposure to credit risk

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

Trade and other receivables

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

Impairment analysis of trade and other receivables

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

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

2019	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
	%	GH¢'000	GH¢'000	
Neither past due nor impaired (less than 30 days)	2.52	183,012	(4,606)	No
Past due (30-60 days)	11.03	145,210	(16,010)	No
Past due more than (61-90 days)	33.61	89,423	(30,058)	No
Past due more than 90 days	44.05	1,004,706	(442,620)	Yes
		1,422,351	(493,294)	

2018	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
	%	GH¢'000	GH¢'000	
Neither past due nor impaired (less than 30 days)	24.02	401,464	(96,425)	No
Past due (30-60 days)	2.46	10,593	(261)	No
Past due more than (61-90 days)	2.18	7,099	(155)	No
Past due more than 90 days	51.13	628,681	(321,453)	Yes
		1,047,837	(418,294)	

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

	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	418,294	79,624
IFRS 9 impairment opening balance adjustment	-	388,675
Adjusted balance at 1 January	418,294	468,299
Impairment loss/ (recoveries) recognised in profit or loss	75,000	(48,331)
Write-off	-	(1,674)
Balance at 31 December	493,294	418,294

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

Cash and cash equivalents

The Company held cash and cash equivalents of GH¢118,188,976 (2018: GH¢187,374,508) at the reporting date with banks which are assessed as having a relatively good credit rating. Impairment loss on cash held with Bank are assessed to be insignificant to the financial statements.

(iii) Liquidity risk

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

Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 27) so that the Company does not breach borrowing limits or covenants, where applicable, on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The Company recorded a net current liability. A substantial portion of the Company's debts are due to related parties and external lenders. Payment terms are not defined for the amounts due to related parties. The Company also breached certain terms of the loan agreement with one of its lenders Agence Francaise de Development (AFD).

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

Exposure to liquidity risk

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

	Carrying amounts	Contractual Cashflows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Non-derivative financial liabilities						
Loans and borrowings	1,562,847	1,781,592	296,240	187,215	383,157	914,980
Advances from customers	16,976	16,976	16,976	-	-	-
Bank overdrafts	43,555	43,555	43,555	-	-	-
Trade and other payables	1,460,810	1,460,810	1,460,810	-	-	-
	3,084,188	3,302,933	1,817,581	187,215	383,157	914,980
2018						
Non-derivative financial liabilities						
Loans and borrowings	1,568,718	2,393,282	294,833	625,010	486,080	987,359
Bank overdrafts	28,393	28,393	28,393	-	-	-
Trade and other payables	1,197,320	1,197,320	1,197,320	-	-	-
Advances from customers	17,074	17,074	17,074	-	-	-
	2,811,505	3,636,069	1,537,620	625,010	486,080	987,359

(iv) Market risks

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

Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars, the Euro and the Pound Sterling. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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.

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

	31 December 2019					31 December 2018			
	USD	EURO	GBP	SDR	YEN	USD	EURO	GBP	SDR
	$'000	€'000	£'000	SDR'000	YEN'000	$'000	€'000	£'000	SDR'000
Loans and borrowings	189,714)	(58,230)	-	(15,940)	-	(222,584)	(68,284)	-	(15,769)
Trade and other payables	(43,978)	(8,108)	(42)	-	(18,335)	(26,150)	(835)	-	-
Bank overdraft	(7,871)	-	-	-	-	(5,027)	(721)	-	-
Trade receivables	47,178	-	-	-	-	32,897	-	-	-
Cash and bank balances	10,866	10,034	-	-	-	25,379	11,304	-	-
Gross exposure	183,519)	(56,304)	(42)	(15,940)	(18,335)	(195,485)	(58,536)	-	(15,769)

The following significant exchange rates applied during the year:

	Average Rate		Reporting Rate	
	2019	2018	2019	2018
Ghana Cedi:				
USD 1	5.2507	4.5998	5.5337	4.8200
EURO 1	5.8703	5.4163	6.2114	5.5131
GBP 1	6.7182	-	7.3164	-
SDR 1	7.2515	6.5031	7.6522	6.7036
YEN 1	0.0482	-	0.0510	-

Sensitivity analysis on currency risk

The following table shows the effect of a strengthening or weakening of the GH¢ against all other currencies on the Company's equity and profit or loss. This sensitivity analysis indicates the potential effect on equity and profit or loss based upon the foreign currency exposures recorded at December 31 (see "currency risk" above), and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average exchange rate per currency recorded in the course of the respective financial year. The same was done for the prior year.

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

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

As of 31 December		2019			2018	
In GH¢'000	% Change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening	% Change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening
		GH¢'000	GH¢'000		GH¢'000	GH¢'000
USD	± 5.39%	54,738	(54,738)	± 4.79%	45,101	(45,101)
EURO	± 5.81%	20,321	(20,321)	± 1.79%	5,768	(5,768)
GBP	± 8.90%	27	(27)		-	-
SDR	± 5.53%	6,739	(6,739)	± 3.08%	3,259	(3,259)
YEN	± 5.75%	54	(54)		-	-

Interest rate risk

Interest rate risk profile

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

	Carrying amounts	
	2019	2018
	GH¢'000	GH¢'000
Fixed rate instrument		
Loans and borrowings	597,825	613,703
Variable rate instrument		
Bank loan	965,022	955,015

Fair value sensitivity analysis for fixed rate instrument

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

Cash flow sensitivity analysis for variable rate instrument

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

This analysis also assumes that all other variables, in particular foreign currency rates remain constant. The analysis is performed on the same basis for 2019.

As of 31 December			2019			2018
	% Change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening	% Change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening
		GH¢'000	GH¢'000		GH¢'000	GH¢'000
Bank loan	1	(9,561)	9,561	1	(9,472)	9,472

38. CAPITAL MANAGEMENT

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

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

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

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

	2019	2018
	GH¢'000	GH¢'000
Total borrowings	1,562,847	1,568,718
Less: Cash and cash equivalents	161,801	215,788
Net debt	1,401,046	1,352,930
Total equity	2,276,427	1,985,045
Net debt to equity ratio	0.62	0.68

39. GOING CONCERN CONSIDERATION

The Company reported a loss of GH¢44.85 million (2018: GH¢104.57 million) for the year ended 31 December 2019 and as of that date its current liabilities exceeded its current assets by GH¢1,081.02 million (2018: GH¢910.25 million).

A substantial part of the Company's current liabilities is owed to related parties in respect of levies payable to Public Utilities Regulatory Commission and amounts owed to Volta River Authority. The levies are settled by GRIDCo on receipt of the payments from the customers. GRIDCo serves as an agent for billing and collection of the levy on behalf of PURC.

During the year, GRIDCo breached certain terms of its loan agreement with one of its lenders, Agence Francaise de Developpement (AFD). This led to AFD suspending payments to contractors on ongoing projects. The Company also experienced significant delays in receipts due from customers.

These challenges resulted in delayed payments to suppliers as well as suspension of planned projects and maintenance activities. Timely repayments of existing loans were also affected in some instances.

In August 2019, the Government of Ghana approved a demand guarantee to guarantee the existing facility with AFD. This resulted in the credit facility between GRIDCo and AFD being amended on 17 April 2020 with a drawdown deadline of 31 July 2021 and an estimated project completion date of 31 December 2021. Consequently, payment to suppliers have commenced and a total amount in excess of US$35.5 million has been paid and related projects resumed at the date of authorisation of these financial statements. Management has also successfully renegotiated the financial covenants with its lenders for terms more favourable to GRIDCo.

As part of planned measures to overcome the effects of the identified events and conditions, management has been delaying capital expenditure since the reporting date.

The Company reported positive operating cashflows for both current and prior year. Based on management's forecast, the Company is expected to continue to generate enough cash flows from its operating activities for at least five years from the reporting date. This suggests that the Company has the capacity to generate enough cashflows from its operational activities in the future.

In April 2021, GRIDCo entered into an agreement with a broadband infrastructure provider to lease its excess fibre capacity to mobile network operators and internet service providers in the country. This is to increase the Company's revenue streams and diversify its customer base in order to manage its credit risk exposure.

Also, on 30 March 2020, GHS69.6million of the total liabilities of GRIDCo were novated to Energy Sector Levies Act (E.SLA) Plc, a Government of Ghana (GoG) wholly owned special purpose vehicle.

GRIDCo is wholly owned by the Government of Ghana who continually supports the operations of the company as needed to enable them deliver on their mandate as the sole transmitter of power in Ghana. The Government, through the Ministry of Finance, has given assurance of continued support to the Company to ensure the sustainability of its operations.

Based on the above, the Directors expect the Company to continue as a going concern and be able to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have accordingly been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations of the Company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

40. EVENTS AFTER THE REPORTING PERIOD

On 30 January 2020, the World Health Organisation (WHO) declared an international health emergency due to the outbreak of a novel coronavirus, which originated in December 2019 in Hubei province, China. The WHO declared the coronavirus outbreak to be a pandemic on 11 March 2020 in recognition of its rapid spread across the globe, with about every country now affected.

The outbreak of COVID19 and the necessary containment measures, which include travel bans, quarantines and social distancing protocols, have resulted in disruption to business and economic activity globally. At the date of authorization of the financial statements, Ghana Grid Company Limited is operating as normal as GRIDCo operates an essential service as the sole transmitter of power in Ghana. The Company has not been significantly impacted by the outbreak of COVID19.

No other events have occurred since the end of the reporting period that would have had a material effect on the financial statements or require disclosure.

41. CORRECTION OF ERRORS AND RECLASSIFICATION

During 2019, the Company noted the following errors and misclassifications in its financial statements since 2017. As a consequence, some line items in the financial statements have been misstated. The errors and misclassifications have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarises the impact on the financial statements.

(A). Summary of the restatement adjustments to Statement of financial position as at 1 January 2018

	As previously reported GH¢'000	Correction of errors GH¢'000	Note	Reclassifications GH¢'000	Note	As restated GH¢'000
Assets						
Property, plant and equipment	4,766,059	-		-		4,766,059
Intangible assets	12,483	-		-		12,483
Other receivables	7,843	-		-		7,843
Non-current assets	4,786,385	-		-		4,786,385
Inventories	19,121	-		-		19,121
Trade and other receivables	998,586	(388,675)	(b)	(6,421)	(a)	603,490
Prepayments	-	-		6,421	(a)	6,421
Cash and cash equivalents	198,534	-		-		198,534
Current assets	1,216,241	(388,675)		-		827,566
Total assets	6,002,626	(388,675)		-		5,613,951
Equity						
Stated capital	350,922	-		-		350,922
Revaluation reserves	1,143,899	-		-		1,143,899
Retained earnings	843,560	(422,780)	(b)	-		420,780
Total equity	2,338,381	(422,780)		-		1,915,601

41. CORRECTION OF ERRORS AND RECLASSIFICATION OF BALANCES (CONT'D)

(A) Summary of the restatement adjustments to Statement of financial position as at 1 January 2018 (cont'd)

	As previously reported GH¢'000	Correction of errors GH¢'000	Note	Reclassifications GH¢'000	Note	As restated GH¢'000
Liabilities						
Employee benefits obligations	-	46,413	(b)	3,670	(c)	50,083
Contract liabilities	7,967	-		-		7,967
Deferred tax liabilities	512,370	(12,308)	(b)	-		500,062
Loans and borrowings	1,811,329	-		(87,944)	(d)	1,723,385
Deferred donor support	9,541	-		-		9,541
Trade and other payables	76,667	-		(76,667)	(c)	-
Non-current liabilities	2,417,874	34,105		(160,941)		2,291,038
Contract liabilities	629	-		11,704	(d)	12,333
Bank overdraft	4,781	-		-		4,781
Current tax liabilities	145,483	-		-		145,483
Loans and borrowings	294,833	-		(11,704)	(d)	283,129
Employee benefit obligations	-	-		2,209	(c)	2,209
Trade and other payables	800,645	-		87,944	(d)	888,589
Provisions	-	-		70,788	(c)	70,788
Current liabilities	1,246,371	-		160,941		1,407,312
Total liabilities	3,664,245	34,105		-		3,698,350
Total equity and liabilities	6,002,626	(388,675)		-		5,613,951

Explanations of changes to the statement of financial position at 1 January 2018

i. Correction of errors

(b). Retained earnings

Retained earnings have decreased by GH¢422.78 million. This decrease is represented by the recognition of GH¢46.41 million employee benefit obligations for the Company's employee benefit schemes that had not been accounted for over the years and the decrease of GH¢12.31 million deferred tax liabilities. This decrease represents the net of tax. A total of GH¢9.91 million, GH¢23.26 million and GH¢13.24 million relates to Severance liabilities, post-retirement medical aid and long service award respectively. Also, an adjustment GH¢388.68 million was passed to recognise the IFRS 9 opening balance adjustment.

ii. Reclassification of balances

(a) Trade and other receivables

Trade and other receivables have been decreased by GH¢6.42 million. This represents a reclassification of prepayments which was included in the balance of trade and other receivables.

(c) Trade and other payables

- Non-current trade and other payables of GH¢76.67 million have been reduced to nil. This is represented by:
  - » Reclassification of long service award liability of GH¢5.88 million to employee benefits (GH¢2.21 million and GH¢3.67 million reclassified as current and non-current liabilities respectively).
  - » Reclassification of resettlement compensations liabilities of GH¢70.79 million to provisions.

(d) Loans and borrowings

- Non-current loans and borrowings have been decreased by GH¢87.94 million. This represents advances received from the Company's related parties in respect of contributions to West African Power Pool (WAPP) project that were wrongly included as part of non-current loans and borrowings balances but have been reclassified to trade and other payables.
- Current loans and borrowings have been decreased by GH¢11.70 million. This represents advances from customers that have been reclassified to contract liabilities.

(B) Summary of restatement adjustments to the statement of financial position as at 31 December 2018

	As previously reported GH¢'000	Correction of errors GH¢'000	Note	Reclassifications GH¢'000	Note	As restated GH¢'000
Assets						
Property, plant and equipment	4,550,383	(3,076)	(a)	-		4,547,307
Intangible assets	4,827	476	(a)	-		5,303
Other receivables	7,328	-		-		7,328
Non-current assets	4,562,538	(2,600)		-		4,559,938
Inventories	19,462	-		-		19,462
Trade and other receivables	650,907	-		(12,831)	(b)	638,076
Prepayments	-	-		10,964	(b)	10,964
Cash and cash equivalents	215,788	-		-		215,788
Current assets	886,157	-		(1,867)		884,290
Total assets	5,448,695	(2,600)		(1,867)		5,444,228

	As previously reported	Correction of errors	Note	Reclassifications	Note	As restated
	GH¢'000	GH¢'000		GH¢'000		GH¢'000
Equity						
Stated capital	1,010,870	-		-		1,010,870
Revaluation reserves	653,319	-		-		653,319
Retained earnings	343,300	(22,444)	(c)	-		320,856
Total equity	2,007,489	(22,444)		-		1,985,045
Liabilities						
Employee benefits obligations	-	47,216	(d)	5,143	(d)	52,359
Contract liabilities	11,430	-		922	(e)	12,352
Deferred tax liabilities	307,265	(54,459)	(w)	-		252,806
Loans and borrowings	1,440,942	(8,138)	(e)	(98,671)	(e)	1,334,133
Deferred donor support	12,997	-		-		12,997
Trade and other payables	56,511	-		(56,511)	(f)	-
Non-current liabilities	1,829,145	(15,381)		(149,117)		1,664,647
Contract liabilities	922	-		20,437	(e)	21,359
Bank overdraft	28,393	-		-		28,393
Current tax liabilities	140,414	25,948	(y)	-		166,362
Loans and borrowings	251,301	-		(16,716)	(e)	234,585
Employee benefit obligations	-	-		3,744	(d)	3,744
Trade and other payables	1,191,031	(5,777)	(f)	73,445	(f)	1,258,699
Provisions	-	15,054	(h)	66,340	(h)	81,394
Current liabilities	1,612,061	35,225		147,250		1,794,536
Total liabilities	3,441,206	19,844		(1,867)		3,459,183
Total equity and liabilities	5,448,695	(2,600)		(1,867)		5,444,228

(C) Summary of restatement adjustments to the statement of comprehensive income for the year ended 31 December 2018

	As previously reported	Correction of errors	Note	Reclassifications	Note	As restated
	GH¢'000	GH¢'000		GH¢'000		GH¢'000
Revenue	490,470	-		5,239	(i)	495,709
Direct costs	(373,151)	-		-		(373,151)
Gross profit	117,319	-		5,239		122,558
Other income	22,701	-		(5,239)	(i)	17,462
Impairment reversal on trade receivables	-	-		48,331	(z)	48,331
General and administrative expenses	(130,409)	(66)	(j)	(48,331)	(z)	(178,806)
Operating profit/ (loss)	9,611	(66)		-		9,545
Finance costs	(167,518)	(7,559)	(k)	-		(175,077)
Finance income	1,131	-		-		1,131
Loss before taxation	(156,776)	(7,625)		-		(164,401)
Income tax credit	42,482	17,348	(x)	-		59,830
Loss for the year	(114,294)	9,723		-		(104,571)
Other comprehensive income:						
Items that will not be classified to profit or loss:						
Revaluation of property, plant and equipment and intangible assets	(650,494)	-		-		(650,494)
Remeasurement of defined benefit liabilities	-	2,583	(l)	-		2,583
Related tax	162,623	(645)	(l)	-		161,978
Other comprehensive income, net of tax	(487,871)	1,938		-		(485,933)
Total comprehensive income	(602,165)	11,661		-		(590,504)

(D) Summary of the restatement adjustments to statement of cash flows as at 31 December 2018

	As previously reported	Correction of errors	Note	Reclassifi ations	Note	As restated
	GH¢'000	GH¢'000		GH¢'000		GH¢'000
Cash flows from operating activities						
Loss after tax	(114,294)	9,723	(m)	-		(104,571)
Adjustments for:						
Depreciation of property, plant and equipment	133,642	-		-		133,642
Amortisation of intangible assets	4,000	-		-		4,000
Exchange difference on borrowings	149,207	-		(6,677)	(n)	142,530
Interest expense	16,833	-		-		16,833
Interest received on call accounts	(1,131)	-		-		(1,131)
Write-off of property, plant and equipment	70,034	-		-		70,034
Impairment reversal on trade receivables	-	-		(48,331)	(o)	(48,331)
Write-off of intangible assets	6,174	-		-		6,174
Loss/ (profit) on disposal of property, plant and equipment	(255)	-		-		(255)
Unrealised foreign currency gain	-	-		24,909		24,909
Income tax credit	(42,482)	(17,348)		-		(59,830)
	221,728	(7,625)		(30,099)		184,004
Changes in:						
Inventories	(341)	-		-		(341)
Other receivables	515	-		-		515
Trade and other receivables	(40,996)	-		54,742	(o)	13,746
Trade and other payables	370,230	(500)	(p)	380	(p)	370,110
Prepayments	-	-		(4,543)	(q)	(4,543)
Contract liabilities	3,756	-		9,655	(r)	13,411
Employee benefit obligations	-	3,386	(s)	3,008	(s)	6,394
Provisions	-	-		10,606	(t)	10,606
Cash generated from operating activities	554,892	(4,739)		43,749		593,902
Tax paid	(5,069)	500	(p)	-		(4,569)
Net cash from operating activities	549,823	(4,239)		43,749		589,333

(D). Summary of the restatement adjustments to statement of cash flows as at 31 December 2018

	As previously reported	Correction of errors	Note	Reclassifications	Note	As restated
	GH¢'000	GH¢'000		GH¢'000		GH¢'000
Cash flows from investing activities						
Interest received on call accounts	1,131	-		-		1,131
Purchase of property, plant and equipment	(640,570)	3,076	(u)	34,997	(u)	(602,497)
Proceeds from sale of property, plant and equipment	453	-		-		453
Purchase of intangible assets	(640)	(476)	(u)	-		(1,116)
Net cash used in investing activities	(639,626)	2,600		34,997		(602,029)
Cash flows from financing activities						
Proceeds from donor support	3,456	-		-		3,456
Loan drawdown	439,736	(8,138)	(v)	(44,119)	(v)	387,479
Principal repayment of loans and borrowings	(328,436)	-		11,504	(v)	(316,932)
Repayment of interest on borrowings	(31,311)	-		(11,445)	(v)	(42,756)
Net cash (used in)/ from financing activities	83,445	(8,138)		(44,060)		31,247
Net (decrease)/increase in cash and cash equivalents	(6,358)	(9,777)		34,686		18,551
Cash and cash equivalents at 1 January	193,753	-		-		193,753
Effect of exchange rate fluctuations on cash held	-	-		(24,909)		(24,909)
Cash and cash equivalents at 31 December	187,395	(9,777)		9,777		187,395

Explanations of restatement adjustments to the statement of financial position at 31 December 2018 and statement of comprehensive income for the year ended 31 December 2018.

i. Correction of errors

(a) Property, plant and equipment

Property, plant and equipment has decreased by GH¢3.08 million. This represents the net adjustments on provisions (resettlement compensations), non-current loans and borrowings and trade payables and capital work in progress for intangibles as at 31 December 2018. The provisions balance was understated by GH¢10.82 million while the non-current loans and borrowings and trade payables were overstated by GH¢8.14 million and GH¢5.28 million respectively. Also, an amount of GH¢ 0.48 million in the capital work in progress in respect of intangible assets have been reclassified from capital work in progress in property, plant and equipment.

(c) Retained earnings

Retained earnings has increased by GH¢(22.44) million. This represents the net effect of a number of adjustments posted to correct prior year misstated balances.

(d) Employee benefit obligations

Non-current employee benefit obligations have increased by GH¢47.22 million. This represents employee benefit obligations that were previously not recognised.

(w) Deferred tax liabilities

Deferred tax liabilities has decreased by GH¢54.46 million. This is represented by the tax effect of the various adjustments passed to restate prior year figures.

(e) Loans and borrowings

Non-current loans and borrowings has reduced by GH¢8.14 million. This represents an overstatement in the loan and borrowings balance.

(f) T rade and other payables

Current trade and other payables have decreased by GH¢5.78 million. This is represented by:

- Adjustment to correct an overstatement of GH¢5.28 million in property, plant and equipment; and
- Adjustment to correct an overstatement of GH¢0.5 million current tax liabilities as at 31 December 2018.

(y) Current tax liabilities

Current tax liabilities have increased by GH¢25.95 million. This represents various adjustments passed to correct the 2018 profit or loss.

(h) Provisions

Provisions has increased by GH¢15.05 million. This represents understatement in provisions for resettlement compensations.

(j) General and administrative expenses

The decrease in general and administrative expenses of GH¢65,988 is represented by:

- An adjustment to correct understatement of GH¢4.24 million in provisions for resettlement compensations; and
- The net effect of adjustments of GH¢(4.17) million to correct the employee benefit obligations as at 31 December 2018.

(k) Finance costs

The increase in finance costs of GH¢7.60 million represents the interest cost on employee benefit obligations as at 31 December 2018.

(x) Income tax credit

The increase in income tax credit of GH¢17.35 million is attributable to adjustments of GH¢25.45 million and GH¢(42.80) million to correct the current tax expense and deferred tax income respectively in respect of the various adjustments passed to correct 2018 profit or loss.

(l) Other comprehensive income

Other comprehensive income decreased by GH¢1.94 million represented by the remeasurement of employee benefit obligations as at 31 December 2018 of GH¢2.58 million and the related tax of GH¢0.64 million.

ii. Reclassification of balances

(b) Trade and other receivables and prepayments

Trade and other receivables have decreased by GH¢12.83 million. This represents the reclassification of prepayments of GH¢10.96 million from trade and other receivables to prepayments and a reclassification of Output VAT of GH¢ 1.87 million.

(d) Employee benefit obligations

- Current employee benefit obligations have increased by GH¢3.74 million. This represents the reclassification from non-current trade payables of the portion of long service award that is due within 12 months.
- Non-current employee benefit obligations have increased by GH¢5.14 million. This represents the reclassification of the remaining balance on the total GH¢8.88 million of employee benefit obligations included in non-current trade and other payables.

(e) Loans and borrowings

- Non-current loans and borrowings have decreased by GH¢98.67 million. This is represented by:
  - » Reclassification of GH¢94.03 million in respect of advances from related parties from loans and borrowings to trade and other payables; and
  - » Reclassification of GH¢4.64 million in respect of advances from customers from loans and borrowings to current contract liabilities.
- Current loans and borrowings have also decreased by GH¢16.72 million. This represents a reclassification of advances from customers from the loans and borrowings to the current contract liabilities.

(f) Trade and other payables

- Non-current trade and other payables have decreased by GH¢56.51 million to a nil balance. This is represented by:
  - » Reclassification of GH¢8.89 million to employee benefit obligations; and
  - » Reclassification of GH¢47.62 million to provisions in respect of resettlement compensations.
- Current trade and other payables have increased by GH¢73.44 million. This is the net impact of the following:
  - » Reclassification of GH¢94.03 million from non-current loan and borrowings in respect of advances from related parties;
  - » Reclassification of GH¢18.72 million to provisions in respect of resettlement compensation; and
  - » Reclassification of GH¢1.87 million to trade and other receivables in respect of Output VAT payable.

(h) Provisions

Provisions has increased by GH¢66.34 million. This increase is represented by reclassification of balances in respect of provisions for resettlement compensations as follows:

- Reclassification of GH¢47.62 million from non-current trade and other payables; and
- Reclassification of GH¢18.72 million from current trade and other payables.

(i) Revenue and other income

Revenue and other income have increased and decreased by GH¢5.24 million respectively. This is represented by the reclassification of revenue from telecommunication services to revenue from other income. The Company's nature of business had been adjusted to include the rendering of telecommunication services.

(z) General and administrative expenses

General and administrative expenses have reduced by GH¢48.33 million. This represents a reclassification of impairment reversal on trade receivables from general and administrative expenses to be disclosed separately on the statement of comprehensive income.

Explanations of restatement adjustments to the statement of cash flows for the year ended 31 December 2018

Correction of errors and reclassifications

(m) Loss for the year

Loss for the year decreased by GH¢9.72 million. This represents the combined effect of adjustments recognised to correct a number of misstatements to the previously issued financial statements. Further details are provided in corrections of errors adjustments (j), (k) and x.

(n) Changes in exchange difference on borrowings

Exchange difference on loans and borrowings has decreased by GH¢6.68 million. This represents the reclassification of exchange differences on balances reclassified from the loans and borrowings in note (e) as at 31 December 2018.

(o) Changes in trade and other receivables

The increase in changes in trade and other receivables of GH¢54.74 million represents the reclassification of GH¢48.33 million of impairment reversal from the movements in trade and other receivables and the effects of other corrections of errors and reclassification of trade and other receivables in the statement of financial position.

(p) Changes in trade and other payables

The decrease in changes in trade and other payables of GH¢0.12 million represents the correction of errors and reclassification of balances in the statement of financial position. The tax payment decreased by GH¢0.5 million due to the correction made in note (f).

(q) Changes in prepayments

The increase in changes in prepayments of GH¢4.54 million represents the effect of the reclassification of prepayments from trade and other receivables in the financial statements.

(r) Changes in contract liabilities

The increase in changes in contract liabilities of GH¢9.65 million represents the effect of the reclassification of contract liabilities from loans and borrowings to contract liabilities.

(s) Changes in employee benefit obligations

Changes in employee benefit obligations have increased by GH¢6.39 million. This represents the combined effect of adjustments posted to reflect the actual movement in employee benefits in notes (c) and (d).

(t) Changes in provisions

The increase in changes in provisions of GH¢10.60 million represents the effects of the of the correction of errors and reclassification of balances in respect of provision for resettlement compensations in the statement of financial positions.

(u) Changes in purchase of property, plant and equipment

The purchase of property, plant and equipment and intangible assets decreased by GH¢38.08 million. This decrease is represented by the following:

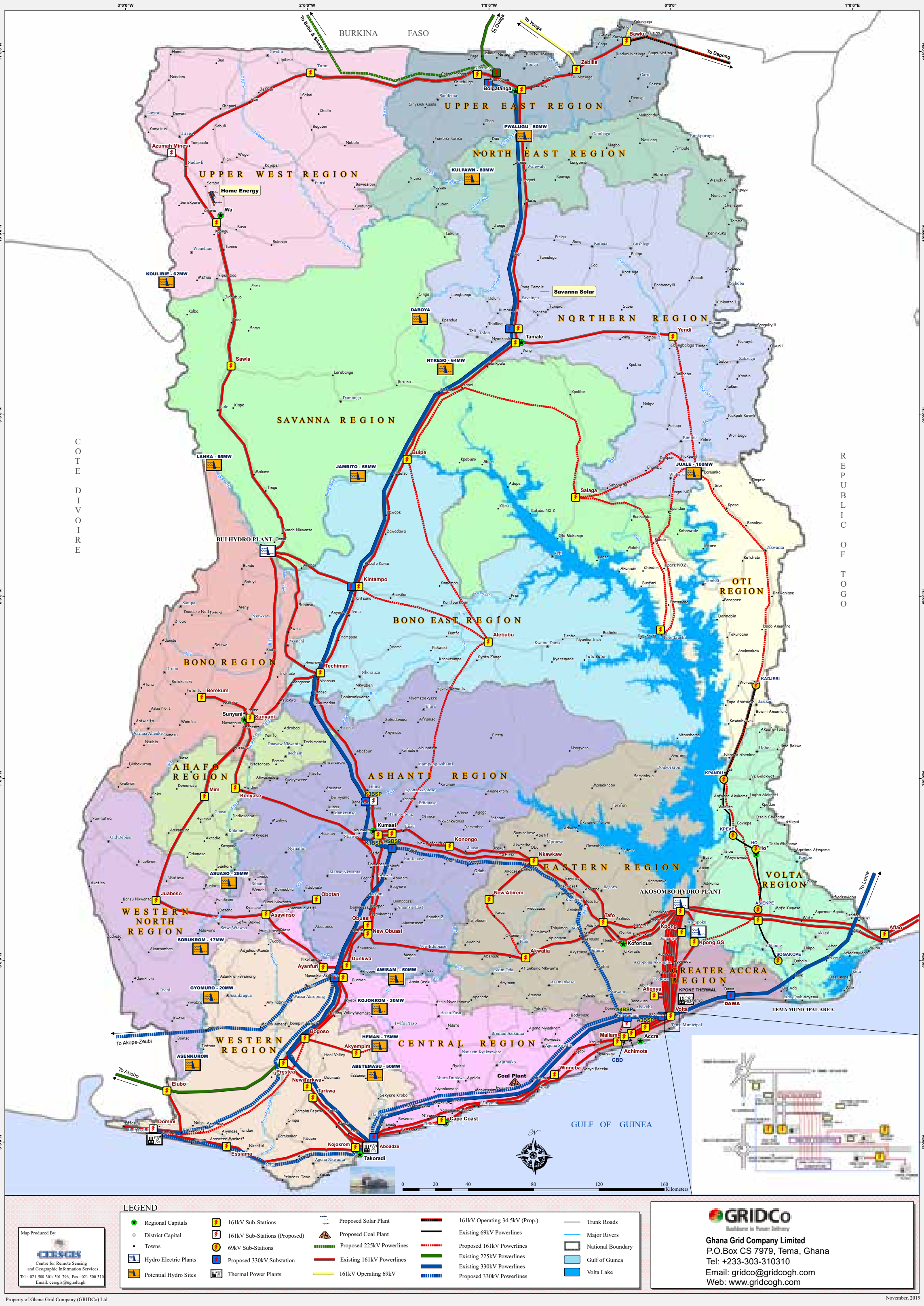
- A decrease in the purchase of property, plant and equipment of GH¢3.08 million that represents the effects of the correction of errors to the statement of financial position in note (a);
- Reclassification of capitalised finance cost of GH¢35.00 million from the purchase of property, plant and equipment to financing activities; and
- Purchased intangible assets increased by GH¢0.48 as a result of reclassification from property, plant and equipment.

(v) Changes in drawdowns, repayments of loans and borrowings and interest

The decrease in the changes in drawdowns and repayments of loans and borrowings of GH¢52.26 million and GH¢11.51 million respectively are represented by the adjustments recognised to correct the overstated loans and borrowings balance (explained in note (e)) and the various reclassifications made to the financial statements previously issued.

Also, the movement in interest repayment is explained by the reclassification of finance cost capitalised to property, plant and equipment to be presented as part of the interest payment.

NATIONAL INTERCONNECTED TRANSMISSION SYSTEM OF GHANA



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