2021 ANNUAL REPORT

Backbone to Power Delivery

CONTACT DETAILS

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Off the Tema-Aflao Rd.

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AREA OFFICES

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Akosombo Area	P.O. Box AB 272 Akosombo	akosomboarea@gridcogh.com	+233 (0)34-229-2878 +233 (0)50-773-3930
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Tema Area	P.O. Box CS 7979 Tema	voltaarea@gridcogh.com	+233(0)30-331-8717
Accra Area	P.O. Box CS 7979 Tema	accraarea@gridcogh.com	+233(0)30-331-8700 Ext 542
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Tamale Area	P.O. Box TM 1266 Tamale	tamalearea@gridcogh.com	+233 (0)37-202-2236 +233 (0)55-399-4369 +233 (0)20-671-6428 +233 (0)37-202-2513
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CONTENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ambassador Kabral Blay-Amihere	Chairman
Ing. Ebenezer Kofi Essienyi	Chief Executive/ Member
Nana Akyereako Adjabinti I	Member
Hon. Patricia Appiah Adjei	Member
Prof. Kwaku Appiah-Adu	Member
Ing. Stephen Akuoko	Member
Ms. Dzifa Amegashie	Member
Mr. Frederick Fredua Antoh	Member
Ing. Bernard Nii Sackey	Member

AG. BOARD SECRETARY

Mrs. Ama Benstiwa Haywood-Dadzie

JOINT AUDITORS

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

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

BANKERS

1. Agricultural Development Bank PLC
2. Barclays Bank PLC
3. Bank of Africa Ghana Limited
4. CAL Bank PLC
5. Ecobank Ghana PLC
6. GCB Bank PLC
7. Ghana International Bank PLC
8. National Investment Bank Limited
9. Société Générale Ghana PLC
10. Stanbic Bank Ghana Limited
11. Standard Chartered Bank Ghana PLC
12. Universal Merchant Bank Limited
13. 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 to Bulk Customers and distribution utilities in Ghana and West Africa. The Company became operational in August 2008.

GRIDCo is licensed by the Energy Commission of Ghana to exclusively operate the National Interconnected Transmission System (NITS).

GRIDCo's mandate was amended to include the use of the Company's assets to provide commercial telecommunication 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. The Company currently transmits electricity to thirty-one (31) Bulk Customers and Distribution Utilities from nine (9) Wholesale Suppliers, including the Volta River Authority (VRA).

Operations

The Company maintains and operates about 6,472.2km circuit kilometres of high-voltage transmission lines to wheel power from generating stations to sixty-eight (68) 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 and these are 330 kV, 225 kV, 161 kV and 69 kV. The transformation capacity at the end of 2021 was 9,152.8 MVA.

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, Procurement, 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 Areas.

Regulators

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

6,472.2 circuit kilometres of high-voltage transmission lines

68 Substations and Bulk Supply Stations (BSPs).

9,152.8 MVA transformation capacity

31 Bulk Customers

9 Wholesale Suppliers

GRIDCo
BACKBONE TO POWER DELIVERY

MISSION, VISION, MEDIUM TERM GOAL

Vision

To be a model electricity grid company in Africa.

Mission

To provide a reliable grid for development.

Medium-Term Goal

To achieve 99.95% availability of the National Interconnected Transmission System with fully automated and integrated business processes.

CORE VALUES (RISE & CARE)

Responsiveness

We attend to internal and external customer needs with focus, speed, 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.

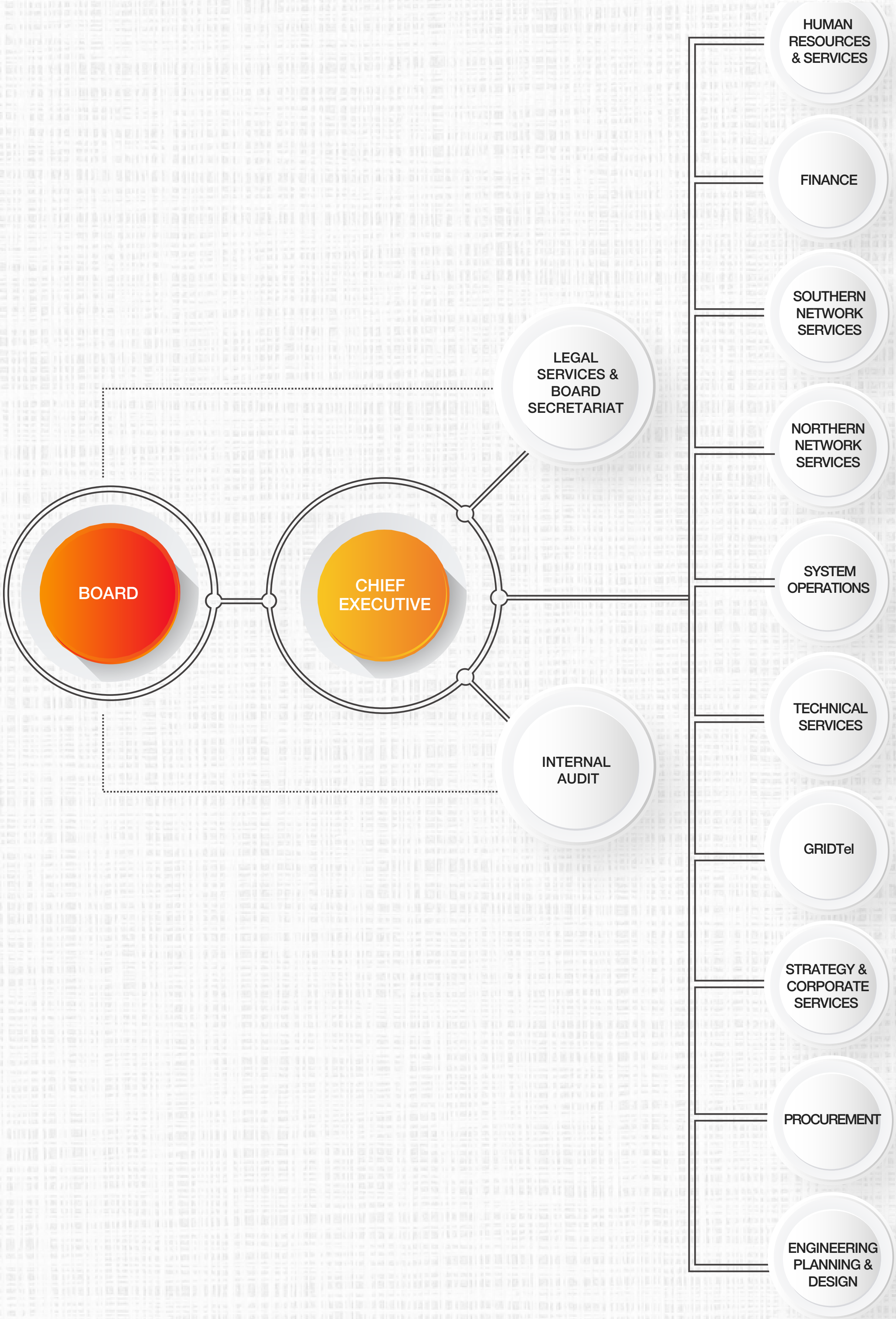
Excellence

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.

ORGANISATIONAL STRUCTURE



MANDATE

1. To carry out the business of economic dispatch and transmission of electricity from facilities of wholesale suppliers to bulk customers or electricity distribution utilities in Ghana and West Africa without discrimination.

2. To acquire by purchase or otherwise construct, establish, manage, maintain and otherwise deal with all transmission facilities, works, buildings, conveniences and other systems necessary to transmit electric energy.

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

4. To carry out any general commercial activities related to the safe and reliable operation of the transmission system and the economic dispatch of electric energy.

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

CORPORATE GOVERNANCE STATEMENT

GRIDCo is a state-owned company that is committed to upholding sound principles of governance. The Company has adopted principles and instituted key systems and structures which ensure effective implementation of its mandate and accountability to all stakeholders.

The membership of the Board guarantees a balance of skills, knowledge, experience and perspectives which helps the Board to deal with current, emerging and sustainability issues of the business. The Board, through its deliberations, monitors the implementation of strategy and ensures that appropriate resources are available for the company's activities.

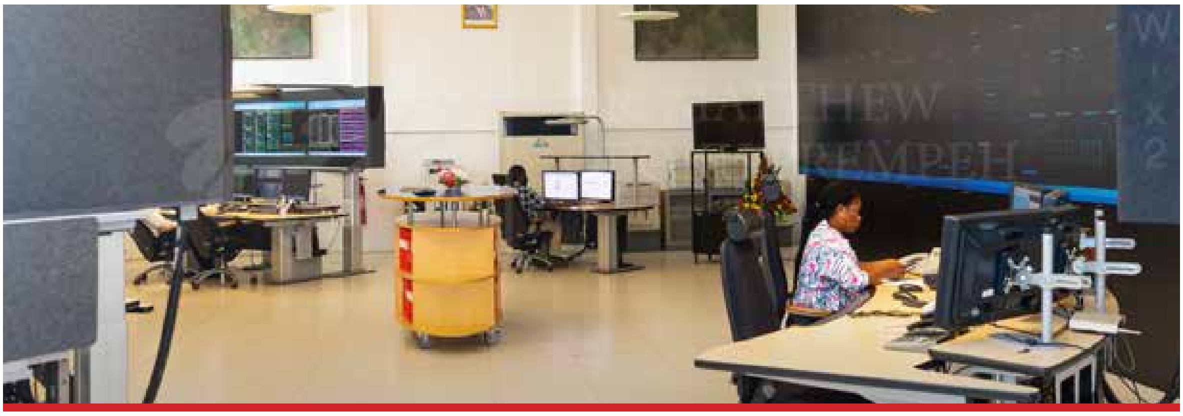
To allocate duties and help fulfil its responsibilities, the Board has established four (4) Committees: Finance, Industrial Relations & Compensation, Engineering and Operations and the Governance Committees and their duties include:

FINANCE

The Finance Committee keeps the Board informed of the Company's overall financial health and guides the Board on effective financial management. The Committee identifies key assumptions and initiatives that influence the budgeting and financial planning process. The Committee also guides Management to ensure that financial information is available for review on a timely basis. This Committee also provides guidance on viable investment opportunities, when required.

ENGINEERING AND OPERATIONS

The Committee recommends the immediate, deferred or modified implementation of particular projects aimed at ensuring efficient performance of GRIDCo's core mandate, the transmission of electricity. The Committee guides the Board and Management on the requirements of sound transmission infrastructure, based on a strategic plan and the financial situation of the Company.



INDUSTRIAL RELATIONS AND COMPENSATION

The Industrial Relations and Compensation Committee recommends strategies for the maintenance of a healthy industrial climate and remuneration of staff. The Board relies on this Committee to delve into all existing and potential matters pertaining to compensation and motivation of staff. These include the provision of advice on discipline and performance management.

GOVERNANCE

The Governance Committee provides oversight of the Board's governance system, with the objective of ensuring good governance, accountability, compliance and transparent decision-making processes to ensure that the interests of all stakeholders are protected. The Committee is required to consider opportunities which strengthen and evolve the board's effectiveness, capacity and ability to lead the organization into the future. The Committee ensures adherence to the Board Charter and reviews and recommends to the Board, an appropriate evaluation process on the performance of the Board of Directors, Chair of the Board of Directors, Board Committees, and individual Directors, amongst others.

The Board's role in guaranteeing a framework for accountability is based on effective work by the different Committees.

The Board held four (4) Board Meetings, and nine (9) Committee Meetings.

An independent Audit Committee, which is an important feature of good corporate governance, has been set up in accordance with the Public Financial Management Act 2016, (Act 921). The Committee monitors the thorough compliance with processes, through the consideration of internal and external audit reports.

The Committee prepares reports on the implementation of Audit reports for submission to relevant statutory bodies. The Committee's work promotes accountability and transparency to all stakeholders.

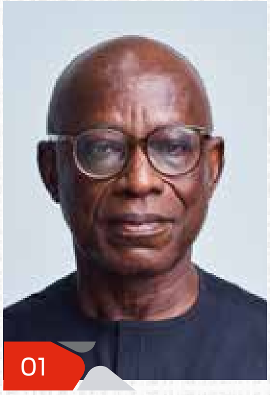
The Company's Internal Audit Department is also governed by a charter and works in accordance with professional standards. The external auditors of GRIDCo assist the Shareholder to independently verify and safeguard the integrity of the company's financial reporting.

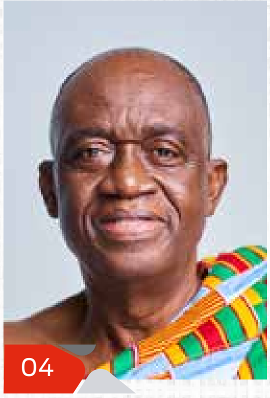
The Board promotes timely and balanced disclosure of all material matters concerning the Company. To achieve this the Company has put in place structures designed to ensure compliance with the relevant legislation and ensure accountability of the twelve (12) member Management team.

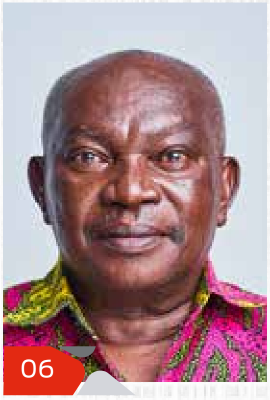
Given the importance of the service GRIDCo delivers, the Company implements broad stakeholder engagement initiatives to seek views and address concerns among different stakeholder groups. The Company is focused on making a meaningful contribution to society, and actively supports interventions that promote development in the communities in which it operates.

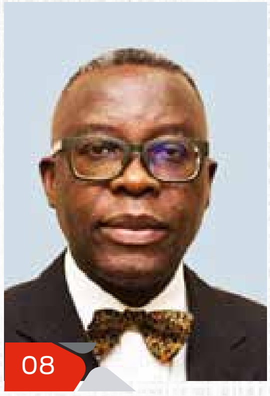
The Board ensures that strategic direction and supervision lead to the achievement of the corporate goals and vision for the benefit of the Company, the Shareholder and the country.

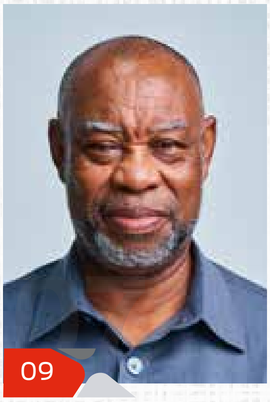
BOARD OF DIRECTORS











1. Amb. Kabral Blay-Amihere - Chairman
2. Ing. Ebenezer Essienyi - Chief Executive/Member
3. Ing. Stephen Akuoko - Member
4. Nana Akyereako Adjabinti I - Member
5. Ms. Dzifa Amegashie - Member
6. Mr Frederick Fredua Antoh - Member
7. Hon. Patricia Appiagyei - Member
8. Prof. Kwaku Appiah - Adu - Member
9. Ing. Bernard Nii Sackey - Member

Mrs. Ama Bentsiwa Haywood-Dadzie

Ag. Board Secretary

CHAIRMAN'S REPORT

CHAIRMAN'S REPORT

Dear Shareholder,

I am pleased to report on another year of delivering on our mandate of transmitting electricity in a transparent and non-discriminatory manner.

The Board commenced its current term in July 2021 and our top priority was to improve performance in an economy which was still recovering from the profound turmoil attributable to the COVID-19 pandemic. As we continue to operate in an environment of global external shocks, we believe the company's resilience will be shown not just in the ability to withstand adverse conditions, but in our ability to adapt and succeed.

Appointment of Chief Executive

In August 2021, Ing. Ebenezer Kofi Essienyi was appointed as the Chief Executive of GRIDCo. Ing. Essienyi was, before his appointment, the Director, Technical Services. The Board continues to support and challenge the Chief Executive to be innovative, to make prudent financial decisions, foster a good industrial climate and undertake critical projects to enable GRIDCo play its part in the reforms needed in the energy sector.

Financial Highlights

The financial performance for the company for 2021 was below expectation. The company made a Net Loss of GHS141million in 2021.Cash flow diminished mainly due to non-payment of transmission service bills by key customers. We continue to engage these customers and the Shareholder to enhance payments and make GRIDCo attractive to investors.

Stakeholder Support and Engagements

The Pokuase Bulk Supply Point was commissioned by H.E. President Nana Akufo-Addo, to give much needed relief to residents of Accra who had previously encountered power supply interruptions. GRIDCo remains thankful to the Millennium Development Authority (MIDA) for the support in making this project a reality. The project will aid significantly in reducing transmission losses in our operations.

GRIDCo had the benefit of high-level external stakeholders' engagement which the Company used to project GRIDCo's technical and operational expertise. A working visit by the Sierra Leonean Vice President, H.E. Mohamed Juldeh Jalloh was one such platform during which the Board and Management discussed how to further extend the ongoing sub-regional collaboration. The Sierra Leonean delegation sought guidance and discussed mutual beneficial opportunities on how Sierra-Leone's energy sector could be transformed.

Corporate Social Responsibility

Other engagements to support external stakeholders were prudently undertaken in year 2021. The company initiated its Corporate Social Responsibility (CSR) plan focused on Education dubbed "Nine4Nine", This plan conceived in 2020 seeks to improve the quality of education in deprived schools within GRIDCo's nine (9) Operational Areas. Under it, two (2) community basic school in the Western and Bono Region have been supported.

In the year under review, GRIDCo took steps to activate the Initiative "Nine4Nine," which forms part of GRIDCo's strategic CSR plan. The Company's CSR strategy for Education – "Initiative "Nine4Nine" - seeks to improve the quality of education within the Company's nine (9) operational communities. A donation was made to the Takoradi School for the deaf to renovate some rooms in the students' hostels. Another donation was made to support a training workshop for two hundred (200) teachers within the Himan-Prestea Traditional Area. A Three-Thousand Ghana Cedi (GH¢ 3,000.00) donation to Regentrofen Education Foundation was made in support of its operations in developing Rural Education in the Upper East Region.

Outlook

The Board's commitment to the Company undoubtedly goes beyond our local operations and we are very confident about making GRIDCo a model transmission company.

Whilst the global and local economic outlook is a cause for great concern, we are cautiously optimistic about the expectations for growth in our company and the economy. We are confident that our resilience in conjunction with our stakeholders' will see us through these challenging times.

The Board will continue to review the company's strategy with Management, in the context of the operating environment and in recognition of the energy industry dynamics.

Conclusion

We will strive to create value for the Government of Ghana in the years ahead.

I commend the Board, Management and Staff of GRIDCo for passionately executing their mandate with expertise to make GRIDCo the backbone for power delivery. I thank all our customers and partners for their continued support and look forward to more successes.

Thank you.

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Amb. Kabral Blay- Amihere
BOARD CHAIRMAN

MANAGEMENT TEAM

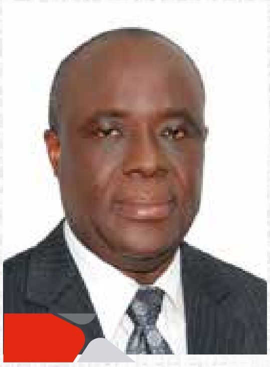

Ing. Ebenezer Kofi Essienyi, Chief Executive


Ms. Florence Agyei, Director, Human Resources & Services


Ing. Daniel Amar Amartey, Director, Southern Network Services


Ing. Mark Baah, Director, System Operations


Ing. Vincent Yiadom Boachie, Director, Northern Network Services


Ing. Anthony Godzi - Ag. Director, Technical Services


Ing. Samuel Nkansah, Director, Finance


Ing. George Nipah, General Manager, GRIDTel


Mr. Richard Ntim, Director, Internal Audit


Ing. Benjamin Kingsford Ntsin, Director, Engineering Planning & Design


Mr. Kofi Okofo Dartey, Director, Strategy & Coporate Services


Ing. John Owusu Afriyie, Director, Procurement


Mrs. Monica Nana Ama Senanu, Director, Legal Services & Board Secretariat

CHIEF EXECUTIVE'S REPORT

CHIEF EXECUTIVE'S REPORT

On behalf of Management and Staff of GRIDCo, I am pleased to share with you the operational initiatives undertaken, and progress made as a Company, during the year under review.

The harsh global effects of the COVID-19 pandemic lingered on for a major part of the year. This notwithstanding, we pursued the implementation of the year's strategy to ensure attainment of our objectives.

FINANCIAL PERFORMANCE

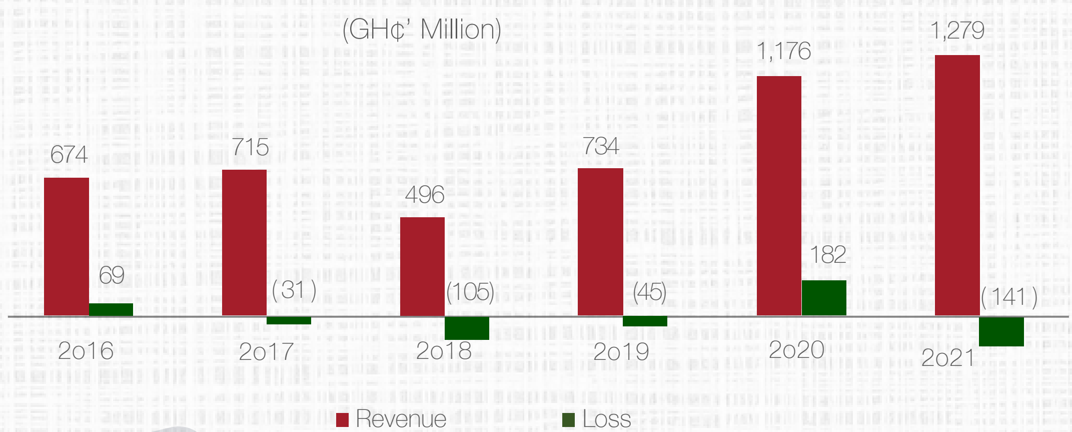
The COVID-19 pandemic affected the Company's operations and finances, which led to the adoption of more pragmatic steps to safeguard business sustainability and judicious cash management.

Total revenue for GRIDCo amounted to GH¢ 1,278.8 million, recording an increase of 9% compared to prior year (2020: GH¢ 1,175.5 million). This increase was predominantly driven by a 9% growth in transmission sales volumes; 20.4GWH in FY 2021 versus 18.7GWH in FY 2020)

GRIDCo recorded a Net Loss of GH¢ 141.3 million from a profit-making position of GH¢ 182.3 million in 2020 (178% decline on prior year). The loss position was mainly due to a high impairment expense on trade receivables from related parties.

Indebtedness by related party customers continues to negatively impact the operations of GRIDCo. As of December 31, 2021 GRIDCo's trade receivables with related party customers stood at the GH¢ 2,532.1 million (GH¢ 1,190 million impairment)

REVENUE AND NET PROFIT (2015 - 2021)

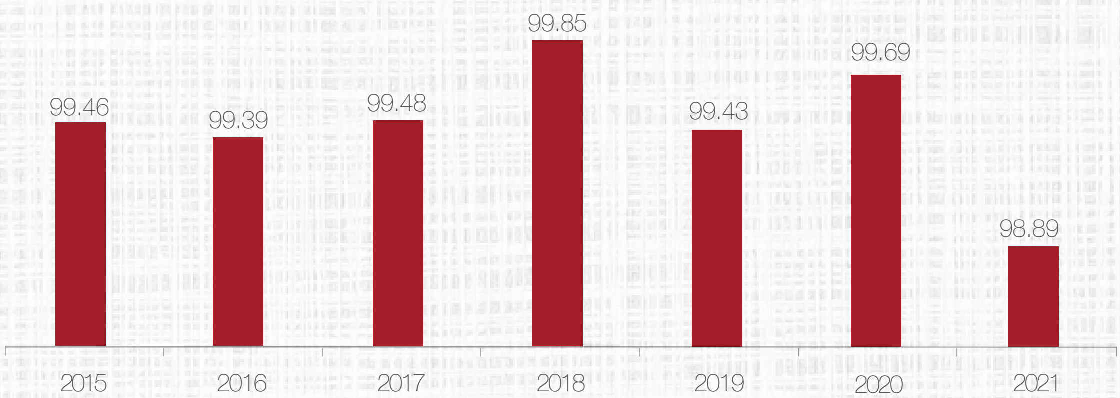


POWER TRANSMISSION

Energy transmitted in 2021 was 21,466 GWH which represented a 14.06% increase over the 18,819 GWH transmitted in 2022.

A low water level in the Bui hydro dam during the first half of 2021 affected dispatch from Bui. This, coupled with the delay in the completion of the Anwomaso - Kintampo 330 kV Transmission Line Project affected reliability of supply during the period, especially in the middle belt of the NITS. However, the power system became significantly stable when the inflow season for Bui Hydro Generation Station resumed and the Anwomaso-Kintampo section of the 330kV Kumasi-Bolgatanga Transmission Line project was completed.

SYSTEM AVAILABILITY (2015 - 2021)



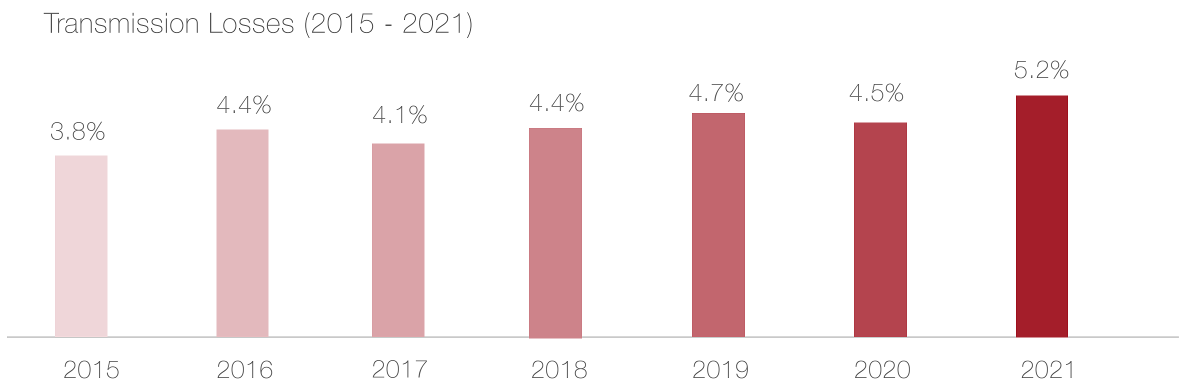
An Average System Availability of 99.22% was recorded for transmission lines in 2021 as against 99.15% in 2020. The system recorded an average transformer availability (including planned outages) of 99.88%.

System disturbances experienced in the Ghana Power Sector were a major challenge in the year under review. GRIDCo relentlessly pursued projects which would improve the quality of electricity transmission and minimise the recurrence of the disturbances.

On November 09, 2021, the 330kV Aboadze-Anwomaso transmission line, tripped when a telecommunication mast fell on it at Bogoso. Owing to the dedication of staff, the restoration works, which were scheduled to have been completed in six (6) weeks were completed within four (4) weeks. This was a sign of our resolute commitment to maintaining a stable network for reliable power delivery. In recognition of our value on Responsiveness, the Board and Management honoured the Thirty-Four (34) staff who showed commitment to duty.

TRANSMISSION LOSSES

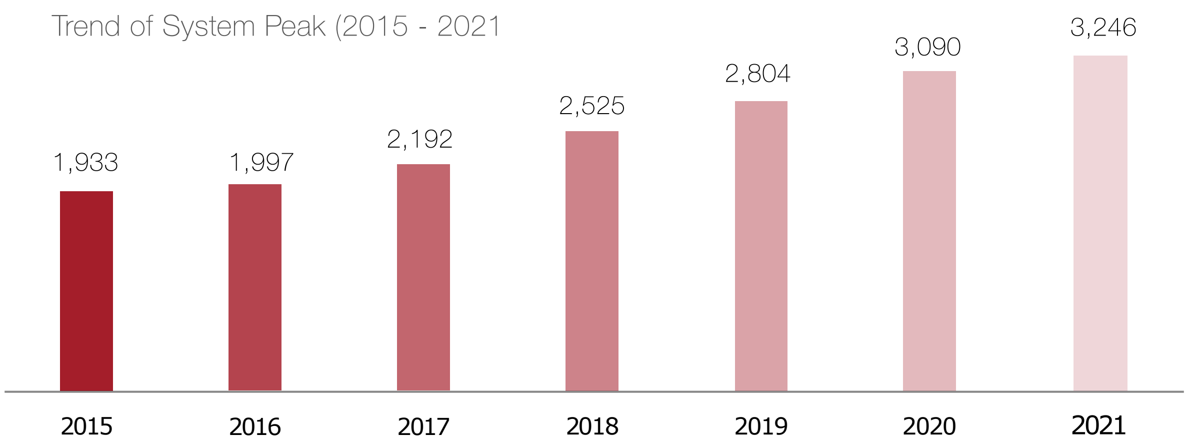
The transmission loss for 2021 was the highest in recent, years i.e., 5.15%. The Bui plant's dispatching mode during the period, which caused instability during off-peak and peak hours, affected reliability of supply in the middle part of the NITS during those periods. This also resulted in low voltages, leading to an increase in losses of about 5.97 percent in the second quarter, affecting the annual figure as shown in the Graph below.



SYSTEM PEAK DEMAND

The Ghana Power System recorded the highest peak demand of 3,246.0MW at 20.22hrs on December 8, 2021. From 2020 to 2021, the increase in peak demand was 5.05 percent.

The trend of highest system peak demand over the last seven (7) years i.e., 2015 to 2021 is as shown in the figure below:



ACCESS TO ELECTRICITY

Access to electricity has improved over time and stood at 87% as of December 2021. Per the Energy Commission's 2022 National Energy Statistics Report. This placed Ghana among the top ten African countries with an electricity access rate of more than 70%.

PROJECTS

Key projects completed in the year included:

- The MiDA-funded 330/34.5kV Pokuase BSP substation;
- The 161kV Volta – Achimota – Mallam Transmission Line Upgrade Project.
- Supply improvement to the Western Region.
- Sunon Asogli Power Phase II Connection System Upgrade Project. This Project involved the installation of a 330/161kV autotransformer between the Collector Substation and the Switchyard of the Sunon Asogli Power Plant, which would allow the Asogli Power Plant to enhance its power supply to the grid.

OCCUPATIONAL HEALTH AND SAFETY

Our adherence to Health and Safety rules continued to be a priority. Staff, contractors and all who dealt with GRIDCo were continuously advised on the importance of safety and were required to perform their activities in line with specified rules.

COVID-19 MANAGEMENT STRATEGY

The Coronavirus disease affected many companies worldwide, including GRIDCo. Fortunately, no staff died from the virus. Management ensured continuous adherence to laid down World Health Organisation Health and Safety Protocols and other interventions, to manage the pandemic, including persistent awareness campaigns and vaccination of staff at all work locations. In order to reduce the risk of infection at work, management also instituted a flexible work approach which allowed staff to work from home .

The services of accredited health care professionals were contracted to screen staff periodically. About One Thousand (1,000) reusable (cloth and KN9) face masks were distributed to staff at various work locations.

Like many other organisations, we were able to hold key meetings by video conferencing.

ENTERPRISE RESOURCE PLANNING (ERP)

The operationalisation of the Enterprise Resource Planning (ERP) software (GRIDSol) ensured efficiency. The ERP has facilitated procurement requests, expenses and claims whiles enabling staff to track their financial transactions and other self-service requirements. Staff were trained on the use of the software and on various post-launch solutions.

NATIONAL ROW EDUCATIONAL CAMPAIGN

In collaboration with the Information Services Department (ISD) of the Ministry of Information, Management undertook a national RoW Educational Campaign in 2021. The campaign was aimed at sensitising encroachers on the illegality and dangers of settling under the transmission line, the effect on the integrity of the transmission towers and on power transmission reliability in the country. The educational campaign hinged on the need for encroachers to relocate immediately.

Outlook for 2022

With the assistance of Government, development partners and our regulators we intend to complete in the short term, critical projects that will enhance supply reliability in Ghana as well as in neighbouring countries. We also intend to secure funding for long term projects to sustain the NITS. Apart from increased supply reliability in Ghana, these projects contribute to the development of other countries like Cote d'Ivoire, Burkina, Togo, and Benin that rely on Ghana for power supply. We are optimistic that cost-reflective tariffs will be approved periodically to improve the financial situation of the Company and enable the execution of urgently required transmission projects.

Conclusion

On behalf of Management, I express my profound gratitude to the Board, Staff and our partners for their immense support in 2021.

Thank you.

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Ing. Ebenezer Kofi Essienyi

CHIEF EXECUTIVE

Working visit to GRIDCo's System Control Centre by the Honourable Minister for Energy, Dr. Matthew Opoku Prempeh and the Honourable Minister for Information, Kojo Oppong Nkrumah.

SYSTEM MAINTENANCE

All power transmission equipment within the NITS were maintained in 2021 as required and in accordance with the policy and procedures for the maintenance of transmission assets. The average preventive maintenance accomplishment in 2021 was 98.06% against a performance target of 95.00%.

Monthly inspections were conducted in all substations during which the state of equipment were assessed, and important readings taken to monitor the condition of the equipment. Cable terminations on equipment were tightened and equipment and panels were cleaned. Earth Resistance Tests were also conducted periodically at all substations and ground resistance values recorded were satisfactory.

Annual Dissolve Gas Analysis (DGA) tests of oil samples taken from power transformers of rating below 125MVA were conducted during the reporting period. For transformers of rating 125MVA and above, the frequency of the DGA test was reviewed to biannual (once every six months) for effective condition monitoring.

Ground Patrols were carried out to ascertain the condition of towers, insulators, conductors, and other accessories aimed at repairing or replacing any defective component(s) of the transmission network. This was done to avert any unfortunate occurrence which might lead to a partial or total system collapse. In all, approximately Six Thousand Two Hundred and Eighty-Three (6,283) circuit kilometres of transmission lines of various voltage levels were patrolled twice during the period under review.

TRANSMISSION LINE (ROW) MANAGEMENT

ROW management activities which usually include vegetation growth control and encroachment monitoring were carried out to prevent nuisance trips in the power system and to prevent the construction of unauthorised structures within the ROW. ROW management works performed in 2021 across the network included the following:

- Clearing of spots of high vegetation undergrowth within One Thousand Nine Hundred and Ninety-Nine (1,999No) spans of various transmission lines;
- Inspection of ROWs of Akwatia–New Obuasi (Q1NB), New Obuasi–Dunkwa (NB2D), Ayanfuri–Asawinso (AR1AS), Dunkwa–Ayanfuri (D3AR), Asawinso–Juaboso (AS2JB) and Prestea–Obuasi(P6B) 161kV transmission lines; and
- Engagement and supervision of casual labourers to clear One Hundred and Twenty-four (124) spans of vegetation undergrowth for various transmission lines.

ENERGY BILLING AND PANEL INDICATING METERS

In line with requirements of the Maintenance Policy of GRIDCo, all energy billing meters were recalibrated. Test results recorded were particularly good and were accepted by all representatives. Energy billing meters on tie and supply lines connecting neighbouring countries were also re-calibrated.

INNOVATION

As part of efforts aimed at modernising our operations and enhancing our maintenance practices using technology, management intends to employ the use of drones in the surveillance of transmission lines and the inspection of towers in the subsequent years. This initiative was piloted in 2021 and it is expected to commence in ensuing years.

ENGINEERING PROJECTS

During the year under review, GRIDCo embarked on some projects to improve the reliability and stability of the National Interconnected Transmission System. Key among them were:

1. 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 contract for the project became effective in April 2019.

The works were completed and commissioned into commercial operation in May 2021.

The project has improved power supply reliability and quality in the Greater Accra Metropolis.

2. 330kV Kumasi-Bolgatanga Transmission Project

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

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, as a result of GRIDCo's financial situation.

The Kumasi - Kintampo section of the 330kV Kumasi – Bolgatanga Transmission Project was successfully completed in 2021, after AFD assisted GRIDCo to pay the outstanding compensations to the Project Affected Persons (PAPs).

3. 161/34.5kV Kasoa Bulk Supply Point

Contractor: Siemens France
Cost: USD 42,800,000.00
Financier: Millennium Development Authority (MiDA) under the Millennium Challenge Corporation (MCC) Compact.

The Project includes the construction of 161/34.5kV GIS Bulk Supply Point (BSP) at Kasoa. The substation was equipped with 3No. 161/34.5kV, 125MVA Power Transformers and associated GIS Switchgear facilities to supply power to the Electricity Company of Ghana (ECG). The project commenced on January 31, 2020.

The 161kV GIS Substation works progressed steadily during the period under review and the facility was expected to be completed and commissioned into service in 2022.

4. Volta – Achimota – Mallam Transmission Line Upgrade Project

Contractor: Sieyuan-SEPCO JV and Transrail Lighting Limited
Cost: Lot 1: USD 11,500,000.00
Lot 2: USD 4,643,950.50
Financier: AFD

The Project involves reconstruction of the existing 161kV Transmission Lines from Volta (Tema) through Achimota to Mallam substations, to enhance power transfer capacity to the major load center of Accra as well as reduction in excessive loading and associated losses due to the increase in generation at Kpone Thermal, Cenpower, Sunon Asogli and AKSA Power Plants in the Tema generation enclave. All the existing single circuits rated 170MVA were upgraded into double circuit transmission lines equipped with Twin Bundle Tern conductors with ratings of 488MVA per circuit.

All constructional activities continued and the lines were commissioned into service in 2021 with the exception of the 161kV Achimota – Mallam Section.

AUDITED FINANCIAL STATEMENTS

Report of the Directors
For the year ended 31 December 2021

The Directors present their report and the financial statements of Ghana Grid Company Limited ("GRIDCo" or "the Company") for the year ended 31 December 2021.

Nature of business

The Company is authorised to undertake the economic dispatching and transmission of electricity from facilities of wholesale suppliers to bulk customers and distribution utilities in Ghana and West Africa. The Company is also authorised to undertake telecommunication services in the country whereby the excess capacity of the Company's fibre lines is leased out to telecommunication companies.

There was no change in the nature of business of the Company during the year.

Shareholders

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

Financial statements/business review

The financial results of the Company for the year ended 31 December 2021 are set out in the financial statements, highlights of which are as follows:

	2021	2020
	GH¢'000	GH¢'000
Profit before tax	**1,296**	270,704
(Loss)/profit after tax	**(141,329)**	182,279
Total assets	**7,222,466**	6,659,541
Total liabilities	**4,444,405**	4,079,001
Total equity	**2,778,061**	2,580,540

Going concern

The directors of the company have made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that cast significant doubt about the company's ability to continue as a going concern.

Therefore, the financial statements continue to be prepared on the going concern basis.

Dividend

The directors did not recommend any dividend for the year ended 31 December 2021 (2020: GH¢ Nil).

Particulars of entries in the interests register during the financial year

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

Corporate Social Responsibility

In the year under review, GRIDCo took steps to achieving initiative nine4nine of the strategic CSR plan of the Company. The CSR strategy for Education, initiative "Nine4Nine" seeks to improve the quality of education in deprived schools within our operational communities.

A donation of GH¢21,000 was made to the Takoradi School for the deaf for the renovation of some rooms in the student hostels.

A donation of GH¢5,000 was made to support a training workshop for two hundred (200) teachers within the Himan-Prestea Traditional Area.

A donation of GH¢3,000 was made to Regentropfen Education Foundation to support its operations in developing Rural Education in Upper East.

Capacity building of directors to discharge their duties

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

Joint auditors

The joint auditors, Deloitte and Touche and Opoku, Andoh & Co., have expressed their willingness to accept appointment, pursuant to Section 39(5) of the Companies Act, 2019 (Act 992).

The audit fee payable to the auditors is GH¢300,000 (2020: GH¢250,000).

Approval of the financial statements

The financial statements were approved by the board of directors on 18 March 2023.

On behalf of the board of directors

Name: **Ebenezer Essienyi**

Signature

29/03/2023

Date

Name: **Kabral Blay Amihere**

Signature

29/03/2023

Date

Statement of directors' responsibilities
For the year ended 31 December 2021

The directors are responsible for the preparation and the presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS 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 misstatement, whether due to fraud or error. In preparing those financial statements, the directors are required to:

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

The directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enables them to ensure that the financial statements comply with International Financial Reporting Standards and it is in the manner required by the Companies Act, 2019 (Act 992). They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities

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

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Ghana Grid Company Limited, set out on pages 38 to 97, which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, the notes to the financial statements including a summary of significant accounting policies and other explanatory disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of Ghana Grid Company Limited as at 31 December 2021 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

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

Other matter

The financial statements of the Ghana Grid Company Limited for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 6 April 2022.

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 the Statement of Directors' Responsibilities, which we obtained prior to the date of this auditors' report date; and the Chief Executive's Report, Report on Corporate Governance, Corporate Social Responsibility Report, Operational Report and Report on Engineering Projects, which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that 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 the requirements of the Companies Act, 2019 (Act 992) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee and 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.

Report on other legal and regulatory requirements

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

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

2. In our opinion:

   - proper books of accounts have been kept by the company, so far as appears from our examination of those books.
   - the information and explanations given to us, were in the manner required by Act 992 and give a true and fair view of the:

   a. statement of financial position of the company at the end of the financial year, and

   b. statement of comprehensive income for the financial year.

3. The company's statement of financial position and statement of comprehensive income are in agreement with the accounting records and returns.

4. We are independent of the company, pursuant to section 143 of Act 992

The engagement partners on the audit resulting in this independent auditors' report are Emmanuel Martey (ICAG/P/1476) and Peter Opoku (ICAG/P/1402).

Deloitte & Touche

……………………………………………………For and on behalf of Deloitte & Touche (ICAG/F/2023/129)

Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu - Accra
Ghana

……31/03……...2023

……………………………………………………..
For and on behalf of Opoku, Andoh & Co.
(ICAG/F/2023/053)
Chartered Accountants
P. O. Box CO 1364, Tema
SDA 8, Community 5
Tema
Ghana

……31/03……….2023

Statement of comprehensive income
As at 31 December 2021

	Notes	2021	2020
		GH¢'000	GH¢'000
Revenue	8	**1,278,768**	1,175,521
Direct costs	9	**(387,412)**	(319,584)
Gross profit		**891,356**	855,937
Other income	10	**28,184**	36,185
Impairment loss on trade receivables	36(b)	**(655,372)**	(320,582)
General and administrative expenses	13	**(171,334)**	(175,291)
Operating profit		**92,834**	396,249
Finance costs	14	**(98,816)**	(127,811)
Finance income	15	**7,278**	2,266
Profit before taxation		**1,296**	270,704
Income tax expense	16(a)	**(142,625)**	(88,425)
(Loss)/profit for the year		**(141,329)**	182,279
Other comprehensive income:			
Items that will not be classified to			
Profit or loss:			
Revaluation of property, plant and equipment and intangible assets	17&18	**430,698**	139,559
Remeasurement of defined benefit liabilities	27(b)	**19,483**	-
Related tax	16e	**(111,331)**	(17,725)
Other comprehensive income, net of tax		**338,850**	121,834
Total comprehensive income		**197,521**	304,113

Statement of financial position
For the year ended 31 December 2021

Assets	Notes	2021 GH¢'000	2020 GH¢'000
Non-current assets			
Property, plant and equipment	17	5,485,651	5,077,127
Intangible assets	18	5,106	9,695
Other receivables	19	13,458	7,533
		5,504,215	5,094,355
Current assets			
Inventories	20	14,013	15,673
Trade and other receivables	21	1,198,932	1,287,717
Prepayments	34	11,006	5,353
Cash and cash equivalents	22	494,300	256,443
Total current assets		1,718,251	1,565,186
Total assets		7,222,466	6,659,541
Equity and liabilities			
Equity			
Stated capital	23	1,010,870	1,010,870
Revaluation reserve	25	1,236,667	986,859
Other reserves	27b	19,483	-
Retained earnings	24	511,041	582,811
		2,778,061	2,580,540
Liabilities			
Non-current liabilities			
Employee benefits obligations	27(a)	75,368	74,274
Contract liabilities	32	29,867	27,154
Deferred tax liabilities	16(d)	418,254	363,179
Loans and borrowings	26(a)	1,445,343	1,624,760
Deferred donor support	31	22,920	21,910
		1,991,752	2,111,277
Current liabilities			
Contract liabilities	32	747	2,281
Current tax liabilities	16(b)	458,431	263,291
Loans and borrowings	26(a)	244,677	155,468
Employee benefits obligations	27(a)	4,521	5,614
Trade and other payables	28	1,596,304	1,393,861
Provisions	29	147,973	147,209
Total current liabilities		2,452,653	1,967,724
Total liabilities		4,444,405	4,079,001
Total equity and liabilities		7,222,466	6,659,541

Ebenezer Essienyi
Name

Signature

29/03/2023
Date

Kabral Blay Amihere
Name

Signature

29/03/2023
Date

The accompanying notes on pages 43-97 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2021

	Stated capital GH¢'000	Retained earnings GH¢'000	Other reserves	Revaluation reserve GH¢'000	Total equity GH¢'000
31 December 2021					
Balance at 1 January 2021	**1,010,870**	**582,811**	**-**	**986,859**	**2,580,540**
Total comprehensive income for the year					
Loss for the year	**-**	**(141,329)**	**-**	**-**	**(141,329)**
Other comprehensive income for the year:					
Revaluation of property, plant and equipment and intangible assets (Note 17 & 18)	**-**	**-**	**-**	**430,698**	**430,698**
Remeasurement of defined benefit liabilities (Note 27b)	**-**	**-**	**19,483**	**-**	**19,483**
Related tax (Note 16e)	**-**	**-**	**-**	**(111,331)**	**(111,331)**
Total comprehensive income for the year	**-**	**(141,329)**	**19,483**	**319,367**	**197,521**
Transfer to retained earnings	**-**	**69,559**	**-**	**(69,559)**	**-**
Balance at 31 December 2021	**1,010,870**	**511,041**	**19,483**	**1,236,667**	**2,778,061**
31 December 2020					
Balance at 1 January 2020	1,010,870	338,845		926,712	2,276,427
Total comprehensive income for the year					
Profit for the year	-	182,279		-	182,279
Other comprehensive income for the year:					
Revaluation of property, plant and equipment and intangible assets (Note 17 & 18)	-	-		139,559	139,559
Related tax (Note 16e)	-	-		(17,725)	(17,725)
Total comprehensive income for the year	-	182,279		121,834	304,113
Transfer to retained earnings	-	61,687		(61,687)	-
Balance at 31 December 2020	1,010,870	582,811		986,859	2,580,540

The accompanying notes on pages 43-97 form an integral part of these financial statements

Statement of cash flows
For the year ended 31 December 2021

	Notes	2021	2020
		GH¢'000	GH¢'000
Cash flows from operating activities			
(Loss)/profit after tax		(141,329)	182,279
Adjustments for:			
Depreciation of property, plant and equipment	17	163,746	155,954
Amortisation of intangible assets	18	2,524	2,892
Exchange difference in borrowings	26(b)	43,164	92,222
Interest expense	26(b)	25,067	25,914
Interest income on call accounts	15	(7,278)	(2,266)
Write-off of property, plant and equipment	17	-	24,231
Impairment loss on trade receivables	36(b)	655,372	320,582
Write-off of intangible assets	18	-	287
Profit/(loss) on disposal of property, plant and equipment	17	27	(295)
Actuarial gains	27(b)	19,483	-
Unrealised foreign currency gain	16(a)	-	12,277
Income tax expense/(credit)		142,625	88,425
		903,400	902,502
Operating cash flow before movement in working capital			
Changes in inventories	20	1,660	1,912
Changes in other receivables	19	(5,925)	(2,447)
Changes in trade and other receivables	21	(566,586)	(669,783)
Changes in trade and other payables	28	202,443	(104,472)
Changes in prepayments	34	(5,653)	728
Changes in contract liabilities	32	1,179	(7,501)
Changes in employee benefits obligations	27	1	8,832
Changes in provisions	29	764	31,299
Cash generated from operating activities		531,282	161,070
Tax paid	16(b)	(3,741)	(457)
Net cash generated from operating activities		527,541	160,613

Statement of cash flows (cont'd)
For the year ended 31 December 2021

	Notes	2021	2020
		GH¢'000	GH¢'000
Cash flows from investing activities			
Interest received on call accounts	15	7,278	2,266
Purchase of property, plant and equipment	17	(139,609)	(78,776)
Proceeds from sale of property, plant and equipment	17	76	465
Purchase of intangible assets	18	-	(2,917)
Net cash used in investing activities		(132,255)	(78,962)
Cash flows from financing activities			
Proceeds from donor support	31	1,010	754
Loan drawdown	26(b)	360,829	402,222
Principal repayment of loans and borrowings	26(b)	(508,308)	(282,765)
Interest on loans capitalised	26(b)	138,670	-
Payment of interest on borrowings	26(b)	(149,630)	(51,388)
Net cash (used in)/generated from financing activities		(157,429)	68,823
Net increase in cash and cash equivalents		237,857	150,474
Cash and cash equivalents at 1 January	22	256,443	118,246
Effect of exchange rate fluctuations on cash held		-	(12,277)
Cash and cash equivalents at 31 December	22	494,300	256,443

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 and accounting policies

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).

Basis of measurement

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

3. Functional and presentation currency

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

4. Use of judgements and estimates

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

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

Information about assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 27 measurement of defined benefit obligation: key actuarial assumptions;

Note 36(b)ii - measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions in determining the weighted average loss rate.

Notes 29 and 35 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(a) Indexation revaluation of property, plant and equipment

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

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

(b) Measurement of fair values

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in determining fair values is included in Note 36 - financial instruments.

5.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.

5.1 Foreign currency transactions

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

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

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

5.2 Revenue from contracts with customers

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

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

Further information about the Company's accounting policies relating to contracts with customers is provided in Note 8c.

5.3 Finance income and expenses

The Company's finance income and finance expenses include:

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

Interest income and expense is recognised, as it accrues in profit or loss, using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

5.4 Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

Financial assets

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

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

Cash and cash equivalents presented in the statement of financial position comprise cash on hand, cash at bank adjusted for reconciling items and highly liquid investments with maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

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

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

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

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

Financial assets - Business model assessment

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

The information considered includes:

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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

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.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Impairment of financial assets

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

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due. Historical evidence demonstrates that there is no correlation between a significant increase in the risk of default on financial assets and payments on them being more than 30 days past due, but there is such a correlation for financial assets on which payments are more than 60 days past due.

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

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

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

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

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

5.5 Leases

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

As a lessor

At the 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. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

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

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

5.6 Property, plant and equipment

5.6.1 Recognition and measurement

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

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

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

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.

Spare parts and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

5.6.2 Subsequent cost

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

5.6.3 Depreciation

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

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

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

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

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

5.6.4 Capital work in progress

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

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

5.7 Intangible assets

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

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

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

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

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;

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

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

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

5.8 Impairment of non-financial assets

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

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

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

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

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

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

5.9 Inventories

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

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

5.10 Share capital (stated capital)

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

5.11 Borrowing cost

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

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

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

5.12 Provisions

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

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

5.13 Grants and donor support

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

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

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

5.14 Income tax

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

5.14.1. Current tax

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

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

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

5.14.2. Deferred tax

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

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

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

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

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

5.15 Employee benefits

5.15.1. Short term employee benefit

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

5.15.2. Defined contribution plans

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

The Company has the following defined contribution schemes.

Social Security and National Insurance Trust

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

Provident fund

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

5.15.3. Defined benefit plans

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

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

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

5.15 Employee benefits

5.15.1. Short term employee benefit

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

5.15.2. Defined contribution plans

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

The Company has the following defined contribution schemes.

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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.

5.15.3. Defined benefit plans

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

The calculation of defined benefit obligations is performed with sufficient regularity by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses is recognised immediately in other comprehensive income.

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

5.15.3. Defined benefit plans – continued

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

The Company has the following defined benefit plans:

Severance benefits

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.

5.15.4 Other long-term employee benefits

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

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

6. Contingent liabilities

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

7. New and revised standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts—Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to recognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

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

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

1. A change in accounting estimate that results from new information or new developments is not the correction of an error.

2. The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

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

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

1. A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

1. The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

8. Revenue

(a) Revenue streams

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

	2021 GWH	2020 GWH
Total transmission	**20,390**	18,670
Sub-station usage	**10**	9

	2021 GH¢'000	2020 GH¢'000
Revenue from transmission services	**1,267,593**	1,165,158
Revenue from fibre optic cable maintenance	**5,526**	5,125
	1,273,119	1,170,283
Rental income from lease of fibre optic cables	**5,649**	5,238
	1,278,768	1,175,521

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from transmission services and fibre optic cable maintenance customers is disaggregated by type of customer and primary geographical market.

	2021 GH¢'000	2020 GH¢'000
Type of customer		
Contract revenue from related parties	**1,004,843**	898,974
Contract revenue from third parties	**268,276**	271,309
	1,273,119	1,170,283
Primary geographical market		
Local revenue	**1,130,900**	1,022,939
Export revenue	**142,219**	147,344
	1,273,119	1,170,283

(c) Performance obligations and revenue recognition policies

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

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

9. Direct costs

	2021 GH¢'000	2020 GH¢'000
Staff cost (Note 12)	**147,894**	132,094
Materials and spares consumed	**3,290**	3,095
Maintenance and other direct cost	**40,710**	36,502
Depreciation of property, plant and equipment (note 17)	**137,373**	123,072
Transmission loss	**58,145**	24,821
	387,412	319,584

Transmission losses for the year ended 31 December 2021 was 1,076 GWH (2020: 887 GWH).

10. Other income

	2021 GH¢'000	2020 GH¢'000
Exchange gain	**18,492**	28,718
Donated assets*	**-**	4,959
Gain on disposal of PPE	**-**	295
Sundry income	**9,692**	2,213
	28,184	36,185

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

11. Profit before taxation

Profit before taxation is stated after charging:

	2021 GH¢'000	2020 GH¢'000
Directors' remuneration	**354**	1,574
Auditor's remuneration	**300**	250
Depreciation and amortisation	**166,270**	158,846
Personnel costs (Note 12)	**221,501**	199,772

12. Personnel costs

	2021 GH¢'000	2020 GH¢'000
Wages and salaries	**173,467**	156,485
Social security contributions	**10,974**	9,697
Provident fund contributions	**17,793**	16,017
Defined benefit plan	**(7,214)**	2,028
Other long-term employee benefits	**11,057**	2,096
Casual labour	**693**	3,655
Other staff expenses	**14,731**	9,794
	221,501	199,772
Allocation of staff cost:		
Staff cost allocated to direct cost (note 9)	**147,894**	132,094
Staff cost allocated to general and administrative expenses	**73,607**	67,678
	221,501	199,772

The total number of staff employed by the Company by the end of the year was 822 (2020: 850).

13. General and administrative expenses

	2021 GH¢'000	2020 GH¢'000
Directors' remuneration	**354**	1,574
Staff cost	**73,607**	67,678
Materials consumed	**1,356**	1,112
(Write back)/write down of inventories	**-**	(317)
Other administrative cost (note 13(i))	**66,788**	55,979
Depreciation of property, plant and equipment (note 17)	**26,372**	32,882
Amortisation of intangible assets (note 18)	**2,524**	2,892
Write-off of property, plant and equipment and intangible assets (note 17 & 18)	**6**	13,241
Loss on disposal of PPE	**27**	-
Auditors' remuneration	**300**	250
	171,334	175,291

13(i) Other administrative cost

	2021 GH¢'000	2020 GH¢'000
Repairs and maintenance	**9,661**	2,954
Sundry expenses	**13,520**	7,683
Advertisement	**115**	242
Compensation payment	**27,220**	38,143
Honorarium	**660**	1,059
Safety	**2,727**	604
Legal & professional	**2,058**	175
Donations	**560**	272
Travel expenses	**4,552**	1,449
Rental	**25**	67
Stationery	**980**	396
Insurance	**4,032**	2,748
Utility	**678**	187
	66,788	55,979

14. Finance cost

	2021 GH¢'000	2020 GH¢'000
Interest on loans and overdrafts	**25,685**	25,914
Exchange loss on loans and borrowings	**47,312**	92,222
Finance cost on defined benefit obligations	**25,819**	9,675
	98,816	127,811

15. Finance income

	2021 GH¢'000	2020 GH¢'000
Interest income	**7,278**	2,125
Exchange gain on other advances	**-**	141
	7,278	2,266

16. Taxation

(a) Income tax credit

	2021 GH¢'000	2020 GH¢'000
Current income tax expense	**198,881**	79,150
Deferred income tax (credit)/expense	**(56,256)**	9,275
	142,625	88,425

(b) Current tax (asset)/liability

Year ended 31 December 2021	Balance at 1 January GH¢'000	Charge to profit or loss GH¢'000	Payment during the year GH¢'000	Balance at 31 December GH¢'000
2008 to 2017	145,483	-	-	**145,483**
2018	20,879	-	-	**20,879**
2019	18,236	-	-	**18,236**
2020	78,693	-	-	**78,693**
2021	-	198,881	(3,741)	**195,140**
	263,291	**198,881**	**(3,741)**	**458,431**

Year ended 31 December 2020	Balance at 1 January GH¢'000	Charge to profit or loss GH¢'000	Payment during the year GH¢'000	Balance at 31 December GH¢'000
2008 to 2016	151,591	-	-	151,591
2017	(6,108)	-	-	(6,108)
2018	20,879	-	-	20,879
2019	18,236	-	-	18,236
2020	-	79,150	(457)	78,693
	184,598	79,150	(457)	263,291

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

(c) Reconciliation of effective tax rate

	2021 GH¢'000	2020 GH¢'000
Profit before income tax	**1,296**	270,704
Income tax using the corporate tax rate of 25%	**324**	67,676
Expenses not deductible for tax purposes	**142,301**	20,749
Income tax charge/(credit)	**142,625**	88,425
Effective tax rate	**11,009%**	33%

(d) Movement in deferred tax balance during the year

	2021 GH¢'000	2020 GH¢'000
Balance as at 1 January	**363,179**	336,179
Charge/(credit) to profit or loss	**(56,256)**	9,275
Charge to OCI	**111,331**	17,725
Balance as at 31 December	**418,254**	363,179

(e) Recognised deferred tax assets and liabilities

2021	Balance at 1 January (Net) GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Balance at 31 December (Net) GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property, plant and equipment	**192,199**	**113,299**	**-**	**305,498**	**-**	**305,498**
Provision for doubtful debt	**(201,316)**	**(165,997)**	**-**	**(367,313)**	**(367,313)**	**-**
Employee benefits obligations	**(19,972)**	**-**	**-**	**(19,972)**	**(19,972)**	**-**
Resettlement provision	**(33,971)**	**(1,680)**	**-**	**(35,651)**	**(35,651)**	**-**
Excess financial cost - 2021	**1**	**-**	**-**	**1**	**-**	**1**
Provision - legal	**(894)**	**-**	**-**	**(894)**	**(894)**	**-**
Provision for slow moving goods	**(60)**	**(1,878)**	**-**	**(1,938)**	**(1,938)**	**-**
Revaluation surplus on property, plant and equipment	**427,192**	**-**	**111,331**	**538,523**	**-**	**538,523**
Net tax (assets)/liabilities	**363,179**	**(56,256)**	**111,331**	**418,254**	**(425,768)**	**844,022**

2020						
Property, plant and equipment	127,710	64,489	-	192,199	-	192,199
Provision for doubtful debt	(123,323)	(80,145)	-	(203,468)	(203,468)	-
Employee benefits obligations	(17,764)	(2,208)	-	(19,972)	(19,972)	-
Resettlement provision	(28,084)	(5,887)	-	(33,971)	(33,971)	-
Excess financial cost - 2020	(32,946)	32,947	-	1	1	-
Provision - legal	(894)	-	-	(894)	(894)	-
Provision for slow moving goods	(139)	79	-	(60)	(60)	-
Revaluation surplus on property, plant and equipment	411,619	-	17,725	429,344	-	429,344
Net tax (assets)/liabilities	336,179	9,275	17,725	363,179	(258,364)	621,543

17 Property, plant and equipment

31 December 2021	Transmission assets	Freehold land	Land and Buildings	Motor vehicle	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**
Balance as at 1 Jan	3,788,478	46,073	302,585	65,677	6,009	15,868	1,150,632	5,375,322
Additions	-	-	-	-	229	155	139,225	139,609
Disposal	(13)	-	-	(472)	-	-	-	(485)
Transfers from CWIP	348,506	-	-	-	18	1,058	(349,581)	-
Transfers to Intangible Assets	-	-	-	-	-	-	53	53
Reclassification from Intangible Assets	-	-	-	-	-	-	2,630	2,630
Gross revaluation adjustment*	446,006	-	19,623	7,891	909	2,081	-	476,510
Balance as at 31 Dec	4,582,977	46,073	322,208	73,096	7,165	19,162	942,959	5,993,639
Accumulated depreciation								
Balance as at 1 Jan	229,925	-	21,301	36,783	4,454	5,732	-	298,195
Charge for the year	137,373	-	11,051	12,291	927	2,104	-	163,746
Disposal	(7)	-	-	(375)	-	-	-	(382)
Gross revaluation adjustment*	36,920	-	2,012	5,745	770	983	-	46,430
Balance as at 31 Dec	404,211	-	34,364	54,444	6,151	8,819	-	507,988
Carrying amount	**4,178,766**	**46,073**	**287,844**	**18,652**	**1,014**	**10,343**	**942,959**	**5,485,651**

17. Property, plant and equipment – continued

31 December 2020	Transmission assets	Freehold land	Land and Buildings	Motor vehicle	Computers	Miscellaneous plant & office equipment	Capital work-in progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost								
Balance as at 1 Jan	3,166,206	46,073	284,449	67,055	5,979	1,378	1,586,622	5,170,112
Additions	4,959	-	-	16	181	105	104,691	109,952
Write-off	(2,620)	-	-	-	-	-	(23,977)	(26,597)
Disposal	-	-	-	(2,891)	-	-	-	(2,891)
Transfers from CWIP	503,467	-	11,321	-	46	1,870	(516,704)	-
Gross revaluation adjustment*	(12,531)	-	(482)	(878)	(293)	(328)	-	(14,512)
Revaluation surplus	128,997	-	7,297	2,375	96	493	-	139,258
Balance as at 31 Dec	3,788,478	46,073	302,585	65,677	6,009	15,868	1,150,632	5,375,322
Accumulated depreciation								
Balance as at 1 Jan	121,750	-	11,526	22,470	3,470	2,624	-	161,840
Charge for the year	123,072	-	10,257	17,912	1,277	3,436	-	155,954
Write-off	(2,366)	-	-	-	-	-	-	(2,366)
Disposal		-	-	(2,721)	-	-	-	(2,721)
Gross revaluation adjustment*	(12,531)	-	(482)	(878)	(293)	(328)	-	(14,512)
Balance as at 31 Dec	229,925	-	21,301	36,783	4,454	5,732	-	298,195
Carrying amount	3,558,553	46,073	281,284	28,894	1,555	10,136	1,150,632	5,077,127

*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¢39.55 million (2020: GH¢31.18 million) representing borrowing cost was capitalized and included in the additions to capital work-in progress. The loans were purposely obtained for the construction of the related assets. None of the assets of the Company has been pledged as security for any loan.

17. Property, plant and equipment – continued

Analysis of depreciation and amortisation charged to profit or loss:

	2021 GH¢'000	2020 GH¢'000
Included in direct costs (note 9) - depreciation of transmission and other related assets	**137,373**	123,072
Included in general and administrative expense (note 13)	**28,896**	32,882
Total depreciation and amortisation charge for the year	**166,269**	155,954
Loss/(profit) on disposal of property, plant and equipment		
Cost on disposal	**485**	2,891
Accumulated depreciation on disposal	**(382)**	(2,721)
Carrying amount on disposal	**103**	170
Proceeds on disposal	**(76)**	(465)
Loss/(profit) on disposal	**27**	(295)

Revaluation of property, plant and equipment

On a monthly basis management determines the fair value of the company's property, plant and equipment (excluding land) using the indexation method. Valuation of property, plant and equipment (including land) is done by an independent valuer every five years, with the most recent being on 31 December 2018.

If management had used cost model for measuring the property, plant and equipment the carrying amounts of these assets would have been as disclosed in note 17(a) below:

17. Property, plant and equipment – continued

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

2021 Cost	Transmission assets GH¢'000	Freehold land GH¢'000	Land and Buildings GH¢'000	Motor vehicle GH¢'000	Computers GH¢'000	Miscellaneous plant & office equipment GH¢'000	Capital work-in progress GH¢'000	Total GH¢'000
Balance as at 1 Jan	2,851,147	420	92,644	69,429	3,579	17,079	1,150,632	4,184,930
Additions	-	-	-	-	229	155	139,225	139,609
Disposal	(13)	-	-	(472)	-	-	-	(485)
Transfers from CWIP	348,506	-	-	-	18	1,058	(349,581)	-
Transfers to Intangible Assets	-	-	-	-	-	-	53	53
Reclassification from Intangible Assets	-	-	-	-	-	-	2,630	2,630
Balance as at 31 Dec	3,199,640	420	92,644	68,957	3,826	18,292	942,959	4,326,737
Accumulated depreciation								
Balance as at 1 Jan	680,305	-	11,180	51,078	2,502	7,722	-	752,787
Charge for the year	79,161	-	1,906	6,389	500	1,821	-	89,777
Disposal	(7)	-	-	(375)	-	-	-	(382)
Balance as at 31 Dec	759,459	-	13,086	57,092	3,002	9,543	-	842,182
Carrying amount	**2,440,181**	**420**	**79,558**	**11,865**	**824**	**8,749**	**942,959**	**3,484,555**
Carrying amount at 2020	2,170,842	420	81,464	18,351	1,077	9,357	1,150,632	3,432,143

17. Property, plant and equipment – continued

Gross carrying amount of fully depreciated assets still in use

At 31 December 2021, property, plant and equipment with a gross carrying amount of GH¢60.76 million (2020: GH¢32.19 million) were fully depreciated and still in use by the Company.

18. Intangible assets

	2021			2020		
Cost						
	Software	**Capital WIP**	**Total**	Software	Capital WIP	Total
	GH¢'000	**GH¢'000**	**GH¢'000**	GH¢'000	GH¢'000	GH¢'000
Balance as at 1 Jan	**13,226**	**2,630**	**15,856**	11,478	1,779	13,257
Additions		**-**	**-**	-	2,917	2,917
Write-off	**-**	**-**	**-**		(287)	(287)
Transfers from CWIP	**(53)**		**(53)**	1,779	(1,779)	-
Reclassification to PPE	**-**	**(2,630)**	**(2,630)**	-	-	-
Gross revaluation adjustment	**1,610**	**-**	**1,610**	(332)	-	(332)
Revaluation surplus	**-**	**-**	**-**	301	-	301
Balance as at 31 Dec	**14,783**	**-**	**14,783**	13,226	2,630	15,856
Accumulated depreciation						
Balance as at 1 Jan	**6,161**	**-**	**6,161**	3,601	-	3,601
Charge for the year	**2,524**	**-**	**2,524**	2,892	-	2,892
Gross revaluation adjustment	**992**	**-**	**992**	(332)	-	(332)
Balance as at 31 Dec	**9,677**	**-**	**9,677**	6,161	-	6,161
Carry amount	**5,106**	**-**	**5,106**	**7,065**	**2,630**	**9,695**

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

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

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

2021	Software GH¢'000	CWIP GH¢'000	Total GH¢'000
Cost			
Balance as at 1 Jan	17,950	2,630	20,580
Transfers from CWIP	(53)	-	(53)
Reclassification to PPE	-	(2,630)	(2,630)
Balance as at 31 Dec	**17,897**	**-**	**17,897**
Accumulated depreciation			
Balance as at 1 Jan	11,618	-	11,618
Charge for the year	1,943	-	1,943
Balance as at 31 Dec	**13,561**	**-**	**13,561**
Carrying amount at 2021	**4,336**	**-**	**4,336**
Carrying amount at 2020	**6,332**	**2,630**	**8,962**

19. Other receivables

	2021 GH¢'000	2020 GH¢'000
Staff loans	**13,458**	7,533

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

20. Inventories

	2021 GH¢'000	2020 GH¢'000
Consumables and spare parts	**14,013**	15,673

In 2021, inventories of GH¢4.60 million (2020: GH¢4.02 million) were recognised in profit or loss. Of the amount recognised in profit or loss during year, GH¢3.3 million (2020: GH¢ 3.09 million) was recognised in "direct costs" while GH¢1.3 million (2020:GH¢1.11 million) was recognised in "general and administrative expenses".

There was no inventory write-down or reversal in 2021. However, there was a reversal of inventory write-down of GH¢ 0.32 million in 2020 due to a change in estimate.

21. Trade and other receivables

	2021 GH¢'000	2020 GH¢'000
Trade receivables due from related parties	**2,531,789**	1,963,298
Trade receivables	**113,328**	128,033
Impairment of trade receivables	**(1,469,248)**	(813,876)
Net trade receivables	**1,175,869**	1,277,455
VAT receivables	**9,207**	9,483
Other receivables	**12,340**	27
Staff loans	**1,516**	752
	1,198,932	1,287,717

The maximum amount of staff loans during the year did not exceed GH¢5.26 million (2020: GH¢3.77 million). All trade debtors and other receivables are current and their carrying amounts approximate their fair value. Information about the Company's exposure to credit and market risk and impairment loss for trade and other receivables is included in note 36(b)ii.

22. Cash and cash equivalents

	2021 GH¢'000	2020 GH¢'000
Call account	**47,678**	25,540
Cash on hand	**68**	71
Cash at bank	**446,554**	230,832
	494,300	256,443

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

	2021 GH¢'000	2020 GH¢'000
Cash and cash equivalents	**494,300**	256,443
	494,300	256,443

23. Stated capital

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

Ordinary shares	2021 000	2020 000
Authorised	**11,000,000**	11,000,000
Issued	**10,010,000**	10,010,000

23. Stated capital – continued

(ii) Proceeds from issued shares are as follows:

Ordinary shares	2021 GH¢'000	2020 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.

24. 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).

25. 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.

26. Loans and borrowings

a. Loan and borrowings balances

	2021 GH¢'000	2020 GH¢'000
Current portion		
Short- and medium-term loans due within one year	**244,677**	155,468
Non-current portion		
Short- and medium-term loans due two to five years	**761,335**	761,996
Medium term loans due over 5 years	**684,008**	862,764
	1,445,343	1,624,760
Balance as at 31 December	**1,690,020**	1,780,228

26. Loans and borrowings – continued

b. Movement of Loans and borrowings

	2021 GH¢'000	2020 GH¢'000
Balance as at 1 January	**1,780,228**	1,562,847
Principal drawdown	**360,829**	402,222
Interest expensed	**25,067**	25,914
Interest capitalised	**138,670**	31,176
Interest paid	**(149,630)**	(51,388)
Principal repayment	**(508,308)**	(282,765)
Exchange variation	**43,164**	92,222
Balance as at 31 December	**1,690,020**	1,780,228

26. Loans and borrowings – continued

c. Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	31 December 2021 Contract amount	31 December 2021 Carrying amount	31 December 2020 Contract amount	31 December 2020 Carrying amount
				GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Societe Generale France	EUR	EURIBOR + 1.75%	2023	**340,135**	**65,626**	340,135	101,850
Societe Generate France	EUR	EURIBOR + 1.75%	2024	**240,571**	**57,933**	240,571	83,916
Nordea Bank	EUR	EURIBOR + 1.94%	2025	**240,186**	**79,818**	240,186	106,173
Ecobank Ghana	USD	5%	2021	**460,816**	**58,954**	460,816	47,154
Cal Bank Ghana	USD	9.50%	2020	**92,163**	**-**	92,163	-
Bank of Africa	EUR	9%	2020	**80,886**	**-**	80,886	-
Agence Francaise de Development	USD	5%	2032	1,001,699	852,308	1,001,699	767,217
IDA 4971 GH (WB)	SDR	4.50%	2046	**132,740**	**165,875**	132,740	153,032
IBISTEK - Afienya Substation	USD	6.50%	2019	**51,149**		51,149	
Export-Import Bank of Korea	USD	0.50%	2050	**387,281**	**409,506**	387,281	390,823
Ecobank Ghana-El Sewedy	GH¢	19.68%	2023	**142,139**	**-**	142,139	130,063
				3,169,765	**1,690,020**	3,169,765	1,780,228

26. Loans and borrowings – continued

d. Breach of loan covenant

The Company has a loan with Agence Francaise de Developpement (AFD) with a carrying amount of GH¢852 million (2020:GH¢767.21 million) as at 31 December 2021. The loan is repayable twice yearly over fifteen years.

As per an amended agreement for 2021 with Agence Francaise de Developpement (AFD), GRIDCO is no longer required to comply with covenant ratios for leverage and current ratios.

The table below shows the covenant levels the Company is required to comply with and the actual levels attained for the year ended 31 December 2021;

Ratio	**Covenant level (2021)**	**Actual level (2021)**	Covenant level (2020)	Actual level (2020)
Debt Service Coverage Ratio (DSCR)	**<=5.00**	**1.85**	<=5.00	2.04
Net indebtedness to EBITDA ratio	**>=1.40**	**1.54**	>=1.40	1.51

During the year under review, the Company did not breach the loan covenant.

On 17 April 2020, by an amendment to the credit facility agreement between AFD and GRIDCo, the current ratio and leverage ratio were removed as covenants and the Net Indebtedness to EBITDA Ratio was also reset to not greater than 5. All pending Events of Defaults before the effective date of the amendment (17 April 2020) in respect of the breach of the financial ratios are deemed waived by the amendment.

27. Employee benefits

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

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

Post-employment benefits

Severance benefits

This defined benefit scheme entitles employees to a benefit package at the end of their service with the Company. This benefit package is paid at the point of exit and the employee should have served for a minimum of 17 years. The package is determined as a product of a percentage of annual salary of the qualifying employee at point of exit and bundles of roofing sheets. The percentage and number of bundles applied are respectively dependent on the length of service at the point of retirement.

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:

	2021	2020
	GH¢'000	GH¢'000
Long-service award	**38,835**	25,866
Severance benefit	**4,429**	10,641
Post-retirement medical benefit	**36,625**	43,381
Total employee benefit liabilities	**79,889**	79,888
Non-current	**75,368**	74,274
Current	**4,521**	5,614
	79,889	79,888

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:

	2021	2020
Long service awards	GH¢'000	GH¢'000
Balance as at 1 January	**25,866**	23,492
Included in profit or loss:		
Current service cost	**2,784**	2,096
Net interest	**3,534**	3,085
Actuarial loss (gain) arising from:		
- Financial assumptions	**(7,209)**	-
- Other sources	**20,670**	-
	19,779	5,181
Benefits paid	**(6,810)**	(2,807)
Balance as at 31 December	**38,835**	25,866

27. Employee benefit – continued

Severance benefits	2021 GH¢'000	2020 GH¢'000
Balance as at 1 January	**10,641**	9,933
Included in profit or loss:		
Current service cost	**213**	586
Net interest	**1,456**	1,321
	1,669	1,907
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**(522)**	-
- Other sources	**(6,448)**	-
	(6,970)	-
Benefits paid	**(911)**	(1,199)
Balance as at 31 December	**4,429**	10,641

Post-retirement medical benefits

	2021 GH¢'000	2020 GH¢'000
Balance as at 1 January	**43,381**	37,631
Included in profit or loss:		
Current service cost	**1,025**	1,407
Net interest	**6,120**	5,268
	7,145	6,675
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**(18,281)**	-
- Other sources	**5,768**	-
	(12,513)	-
Benefits paid	**(1,388)**	(925)
Balance as at 31 December	**36,625**	43,381

Total benefit	2021 GH¢'000	2020 GH¢'000
Balance as at 1 January	**79,888**	71,056
Included in profit or loss:		
Current service cost	**4,022**	4,089
Net interest	**11,110**	9,674
Actuarial loss (gain) recognised in the year	**13,461**	-
	28,593	13,763
Included in other comprehensive income:		
Actuarial loss (gain) arising from:		
- Financial assumptions	**(18,803)**	-
- Other sources	**(680)**	-
	(19,483)	-
Benefits paid	**(9,109)**	(4,931)
Balance as at 31 December	**79,889**	79,888

c. Defined benefit obligations - actuarial assumptions

The following are the actuarial assumptions at the reporting date

Principal assumptions:	**2021**	2020
Discount rate	**20%**	14%
Salary inflation rate	**15%**	11%
Other assumptions:		
Nominal inflation gap	**5%**	3%
Net effective inflation gap	**4%**	2.70%
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.

	2021		2020	
	Increase	**Decrease**	Increase	Decrease
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Discount rate (1% movement)	**(5,780)**	**6,320**	(6,809)	7,920
Salary inflation rate (1% movement)	**1,095**	**(990)**	8,069	(7,041)

28. Trade and other payables

	2021	2020
	GH¢'000	GH¢'000
Trade payables due to related parties	**1,428,977**	1,252,632
Other trade payables	**58,875**	11,996
Payroll liabilities	**36,257**	36,700
Statutory payables	**43,618**	61,165
Accrued expenses	**28,577**	31,368
	1,596,304	1,393,861

29. Provisions

2021	Resettlement compensation GH¢'000	Legal GH¢'000	Others GH¢'000	Total GH¢'000
1 January	**135,882**	**3,577**	**7,750**	**147,209**
Provisions made during the year	**113,825**	**-**	**-**	**113,825**
Provisions used during the year	**(113,061)**	**-**	**-**	**(113,061)**
	136,646	**3,577**	**7,750**	**147,973**
2020				
1 January	112,333	3,577	-	115,910
Provisions made during the year	39,612	-	7,750	47,362
Provisions used during the year	16,063)	-	-	(16,063)
	135,882	3,577	7,750	147,209

Resettlement compensation provision represents the compensation payments to be made to affected persons whose land and properties had been encroached by the Company as a result of constructing transmission assets. Legal provisions represent claims brought against the Company by third parties.

Other provisions relates to management's estimate of likely payment to be made by the company following claims negotiation with a vendor in respect of interest on delayed payments and related charges.

Management expects the outflows relating to these provisions to be any time after the reporting date.

30. Related party transactions

Ghana Grid Company Limited is wholly owned by the Government of Ghana. The Company is related to Volta River Authority, Electricity Company of Ghana, Northern Electricity Distribution Company Limited, Volta Aluminium Company Limited, Akosombo Textiles Limited, Bui Power Authority and Ghana Water Company Limited through common shareholding.

Other than amount due from staff (staff loans), there are no defined terms and conditions with respect to outstanding balances with these related parties. Loans of average tenure of 4 years are granted to staff including key management at an interest rate of 3%. Repayment is made by monthly deductions from salaries.

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

Provision of transaction services	2021 GH¢'000	2020 GH¢'000
Electricity Company of Ghana Limited	**857,344**	764,236
Volta River Authority	**5,534**	5,023
Northern Electricity Distribution Company Limited	**105,873**	95,198
Volta Aluminium Company Limited	**31,492**	30,414
Akosombo Textiles Limited	**182**	164
Bui Power Authority	**631**	150
Ghana Water Company Limited	**3,786**	3,789
	1,004,842	898,974

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

(a) Loans and advances due from related parties:

	2021 GH¢'000	2020 GH¢'000
Long-term staff loans - key management	**175**	74
Short-term staff loans - key management	**86**	26
	261	100

During the year the finance income recognised on staff loans - key management in profit and loss was GH¢7,781 (2020:GH¢27.59 thousand)

(b) Receivables from related parties:

	2021 GH¢'000	2020 GH¢'000
Electricity Company of Ghana Limited	**1,843,227**	1,367,161
Volta Aluminium Company Limited	**304,015**	280,516
Northern Electricity Distribution Company Limited	**372,282**	305,086
Akosombo Textiles Limited	**772**	586
Bui Power Authority	**6,520**	5,984
Ghana Water Company Limited	**4,973**	3,966
	2,531,789	1,963,299
Total amounts due from related parties (a+b)	**2,532,050**	**1,963,399**

30. Related party transactions – continued

Receivables from related parties – continued

As at the end of the year the impairment on receivables from related parties was GH¢1.19 billion (2020: GH¢783.39 million). Impairment expense on receivables from related parties included in profit or loss was GH¢411.24 million (2020: GH¢420.84 million).

	2021	2020
	GH¢'000	GH¢'000
(c) Payables to related parties:		
Volta River Authority (VRA)	510,267	455,672
Public Utilities Regulatory Commission (PURC)	669,035	552,228
	1,179,302	1,007,900
(d) Advances from related parties:		
Volta River Authority (VRA)	111,171	107,657
Ghana National Petroleum Corporation	67,418	67,418
E.S.L.A. PLC*	69,658	69,658
Anglogold Ashanti Mines	888	-
	249,675	244,733
Total amount due to related parties (c+d)	1,428,977	1,252,633

*On 30th March 2020, GH¢69.7 million of the total liabilities of GRIDCo were novated to E.S.L.A Plc, a Government of Ghana (GoG) wholly owned special purpose vehicle.

(e) Compensation of key management personnel of the company

	2021	2020
	GH¢'000	GH¢'000
Salaries and wages	8,179	12,157
Employer's pension contribution	1,462	1,496
	9,641	13,653

31. Donor support

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

	2021	2020
	GH¢'000	GH¢'000
Balance as at 1 January	**21,910**	21,156
Receipts during the year	**1,010**	754
Balance as at 31 December	**22,920**	21,910

32. Contract liabilities

	2021	2020
	GH¢'000	GH¢'000
Contract liabilities from fibre lease *	**29,867**	27,154
Advance from transmission customers **	**747**	2,281
	30,614	29,435
Current	**747**	2,281
Non- current	**29,867**	27,154
	30,614	29,435

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

**Advance from transmission customers represents monies received from or services rendered on the Company's behalf by its transmission customers. These advances are mainly to be off-set against future transmission services to be provided and charged to these customers. No information is provided about remaining performance obligations at 31 December 2021 or at 31 December 2020 that have an original expected duration of one year or less, as allowed by IFRS 15.

32. Contract liabilities – continued

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

	2021 GH¢'000	2020 GH¢'000
Balance as at 1 January	**27,154**	18,311
Receipts during the year	**8,022**	14,451
Revenue recognised for the year	**(5,309)**	(5,608)
Balance as at 31 December	**29,867**	27,154

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

	2021 GH¢'000	2020 GH¢'000
Balance as at 1 January	**2,281**	18,625
Receipts during the year	**95**	2,232
Revenue recognised for the year	**-**	(17,317)
Repayment	**(1,629)**	(1,276)
Exchange loss	**-**	17
Balance as at 31 December	**747**	2,281

33. Leases

Leases as lessor

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

The Company has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5.5 sets out information about the operating leases of the fibre lines. The Rental income recognised by the Company during 2021 was GH¢5.31 million (2020: GH¢5.61 million).

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

Operating lease under IFRS 16	2021 GH¢'000	2020 GH¢'000
Less than one year	**3,031**	1,975
One to two years	**3,031**	1,975
Two to three years	**3,031**	2,695
Three to four years	**3,031**	4,832
Four to five years	**2,808**	5,813
More than five years	**12,491**	18,550
Total	**27,423**	35,840

34. Prepayment

	2021 GH¢'000	2020 GH¢'000
Insurance	-	3,273
Advances*	**11,006**	2,080
	11,006	5,353

*Advances relates to advances made for supplies.

35. Contingencies and commitments

(a) Letters of credit

There were no Letters of credit at 31 December 2021, (2020: GH¢47m)

	2021 GH¢'000	2020 GH¢'000
Ecobank Ghana Limited	-	47,154
	-	47,154

(b) Contingent liabilities

The contingent liabilities at the reporting date was GH¢5.90 million (2020:GH¢ 205.93 million). Of the contingencies, GH¢1.03 million (2020: 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¢4.87 million (2020: GH¢ 34.59 million) relates to estimated resettlement compensation that are in legal dispute. Based on legal advice, management believes that this is the best estimate that the Company would possibly be exposed to.

(c) Commitments

Capital commitments at the reporting date is GH¢479 million (2020: GH¢2,851 million). This is in respect of the construction of transmission assets.

36. Financial instruments - fair values and risk management

a. Accounting classification and fair values

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

31 December 2021	Financial assets amortised cost GH¢'000	Other financial liabilities GH¢'000	Total GH¢'000
Financial assets			
Other receivables	**13,458**	**-**	**13,458**
Trade and other receivables*	**1,189,725**	**-**	**1,189,725**
Cash and cash equivalents	**494,300**	**-**	**494,300**
	1,697,483	**-**	**1,697,483**
Financial liabilities			
Trade and other payables**	-	**1,552,686**	**1,552,686**
Loans and borrowings	-	**1,690,020**	**1,690,020**
	-	**3,242,706**	**3,242,706**

31 December 2020	Financial assets amortised cost GH¢'000	Other financial liabilities GH¢'000	Total GH¢'000
Financial assets			
Other receivables	7,533	-	7,533
Trade and other receivables*	1,278,233	-	1,278,233
Cash and cash equivalents	256,443	-	256,443
	1,542,209	-	1,542,209
Financial liabilities			
Trade and other payables**	-	1,332,697	1,332,697
Loans and borrowings	-	1,780,228	1,780,228
	-	3,112,925	3,112,925

*Trade and other receivables exclude VAT receivables of GH¢9.21 million (2020: GH¢9.48 million).
**Trade and other payables exclude statutory liabilities of GH¢43.46 million (2020: GH¢61.16 million)

36. Financial instruments - fair values and risk management – continued

b. Financial risk management

(i) Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

The Company, through its training and management standards and procedures, continues to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

(ii) Credit risk

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

36. Financial instruments - fair values and risk management – continued

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.

At 31 December 2021, the exposure to credit risk for trade receivables by type of counterparty was as follow:

Type of customer	**2021** **GH¢'000**	2020 GH¢'000
Transmission customers		
Bulk distributors	**2,250,893**	1,963,090
External customers	**49,884**	84,476
Mining customers	**25,174**	19,258
Other transmission customers	**319,412**	15,756
	2,645,363	2,082,580
Telecommunication customers	**-**	8,751
	2,645,363	2,091,331

Impairment analysis of trade receivables

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

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

2021	**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
	%	GH¢'000	GH¢'000	
Neither past due nor impaired (less than 30 days)	6.70%	129,957	(8,732)	No
Past due (30-60 days)	14.45%	122,942	(17,043)	No
Past due more than (61-90 days)	21.59%	106,250	(22,938)	No
Past due more than 90 days	62.07%	2,285,968	(1,420,535)	Yes
		2,645,117	**(1,469,248)**	

36. Financial instruments - fair values and risk management – continued

2020	Weighted average loss rate %	Gross carrying amount GH¢'000	Loss allowance GH¢'000	Credit impaired
Neither past due nor impaired (less than 30 days)	1.37	132,216	(1,816)	No
Past due (30-60 days)	5.92	115,799	(6,860)	No
Past due more than (61-90 days)	9.21	103,833	(9,562)	No
Past due more than 90 days	45.74	1,739,483	(795,638)	Yes
		2,091,331	(813,876)	

The probability of default is based on the default rates adjusted for forward looking overlay determined for the respective brackets of receivables. The default rate is the average of the historical loss rate of the past four years. The forward looking overlay considers the impact of changes in exchange rates, interest rates and inflation rates.

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

	2021	2020
	GH¢'000	GH¢'000
Balance as at 1 January	**813,876**	493,294
Impairment loss recognised in the profit or loss	**655,372**	320,582
Balance as at 31 December	**1,469,248**	813,876

The impairment allowance was primarily driven by related parties. An increase in amount due from related parties by GH¢568.49 million (2020: GH¢562.27 million), contributed to an increase in the impairment loss allowance by GH¢672,774 million (2020: GH¢420 .84 million).

A decrease in amount due from non - related parties by GH¢14.46 million resulted in a decrease in impairment loss allowance by GH¢17.10 million (2020: decrease of GH¢100.25 million).

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

Cash and cash equivalents

The Company held cash and cash equivalents of GH¢494,299,793 (2020: GH¢256,371,870) at the reporting date with reputable banks. Impairment loss on cash held with Bank are assessed to be insignificant to the financial statements.

(iii) Liquidity risk

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

Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 26) so that the Company does not breach borrowing limits or covenants, where applicable, on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements -for example, currency restrictions.

The Company recorded a net current liability. A substantial portion of the Company's debts are due to related parties. Payment terms are not defined for the amounts due to related parties.

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

Exposure to liquidity risk

The Company uses its cash and cash equivalents amounting to GH¢505,237 million (2020: GH¢256.443 million) to manage its liquidity risk. Cash and cash equivalents are receivable on demand.

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

Non-derivative financial liabilities

	Carrying amounts	Contractual cashflows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
2021	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Loans and borrowings	1,690,020	1,690,020	244,677	-	761,335	684,008
Trade and other payables	1,552,686	1,552,686	1,552,686	-	-	-
	3,242,706	3,242,706	1,797,363	-	761,335	684,008

Non-derivative financial liabilities

	Carrying amounts	Contractual cashflows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
2020	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Loans and borrowings	1,780,228	2,055,663	284,846	243,638	471,939	1,055,240
Trade and other payables	1,332,697	1,332,697	1,332,697	-	-	-
	3,112,925	3,388,360	1,617,543	243,638	471,939	1,055,240

36. Financial instruments - fair values and risk management – continued

(iv) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while 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 that are denominated in a currency that is not the entity's functional currency.

To manage the Company's foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company holds some of its bank balances in foreign currency.

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

31 December 2021	USD'000	EURO'000	GBP'000	SDR'000
Loans and borrowings	(219,402)	(29,786)	-	(19,733)
Trade and other payables	(6,329)	-	-	-
Trade receivables	52,320	-	-	-
Cash and bank balances	35,490	10,150	-	-
Net exposure	**(134,921**	(19,636)	-	(19,733)

31 December 2020	USD'000	EURO'000	GBP'000	SDR'000
Loans and borrowings	(204,606)	(41,246)	-	(15,940)
Trade and other payables	(17,361)	(15)	(5)	-
Trade receivables	54,274	-	-	-
Cash and bank balances	19,242	10,059	-	-
Net exposure	(148,451)	(31,202)	(5)	(15,940)

The following significant exchange rates applied during the year:

		Average rate		Reporting rate
Ghana Cedi:	2021	2020	2021	2020
USD 1	5.8177	5.6119	6.0061	5.7602
EURO 1	6.8653	6.4427	6.8281	7.0643
GBP 1	7.9878	7.2492	8.1272	7.8742
SDR 1	8.2808	7.8361	8.4061	8.2962
YEN 1	0.0528	0.0529	0.0522	0.0559

36. Financial instruments - fair values and risk management – continued

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 2021

In GH¢'000	% change	Profit or loss/equity impact: Strengthening GH¢'000	Profit or loss/equity impact: Weakening GH¢'000
USD	±3.14	26,255	(26,255)
EURO	±0.54	724	(724)
SDR	±1.51	2,505	(2,505)

As of 31 December 2020

In GH¢'000	% change	Profit or loss/equity impact: Strengthening GH¢'000	Profit or loss/equity impact: Weakening GH¢'000
USD	±2.64	22,596	(22,596)
EURO	±9.65	21,267	(21,267)
GBP	±8.62	4	(4)
SDR	±5.87	7,765	(7,765)

38. Financial instruments- fair values and risk management (continued)

Interest rate risk

Interest rate risk profile

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

	Carrying amount	
	2021	2020
	GH¢'000	GH¢'000
Fixed rate instrument		
Loans and borrowings	**670,407**	591,010
Variable rate instrument		
Loans and borrowings	**1,019,613**	1,189,218

Fair value sensitivity analysis for fixed rate instrument

The Company do es 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 2020.

In GH¢'000	**% change**	**Profit or loss/equity impact: Strengthening**	**Profit or loss/equity impact: Weakening**
		GH¢'000	**GH¢'000**
Loans and borrowings	1	**10,196**	**(10,196)**
In GH¢'000	% change	Profit or loss/equity impact: Strengthening	Profit or loss/equity impact: Weakening
		GH¢'000	GH¢'000
Loans and borrowings	1	11,892	(11,892)

37. Capital management

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

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

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

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

	2021	2020
	GH¢'000	GH¢'000
Total borrowings	**1,690,020**	1,780,228
less cash and cash equivalents	**(494,300)**	(256,443)
Net debt	**1,195,721**	1,523,785
Total equity	**2,778,061**	2,580,540
Net debt to equity ratio	**0.43**	**0.59**

38. Subsequent events

There have been no events after the reporting date, which could have a material effect on the financial position of the company as at 31 December 2021 on its financial performance which have not been recognised or disclosed in these financial statements.

Bulk Customers as of December, 2021

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

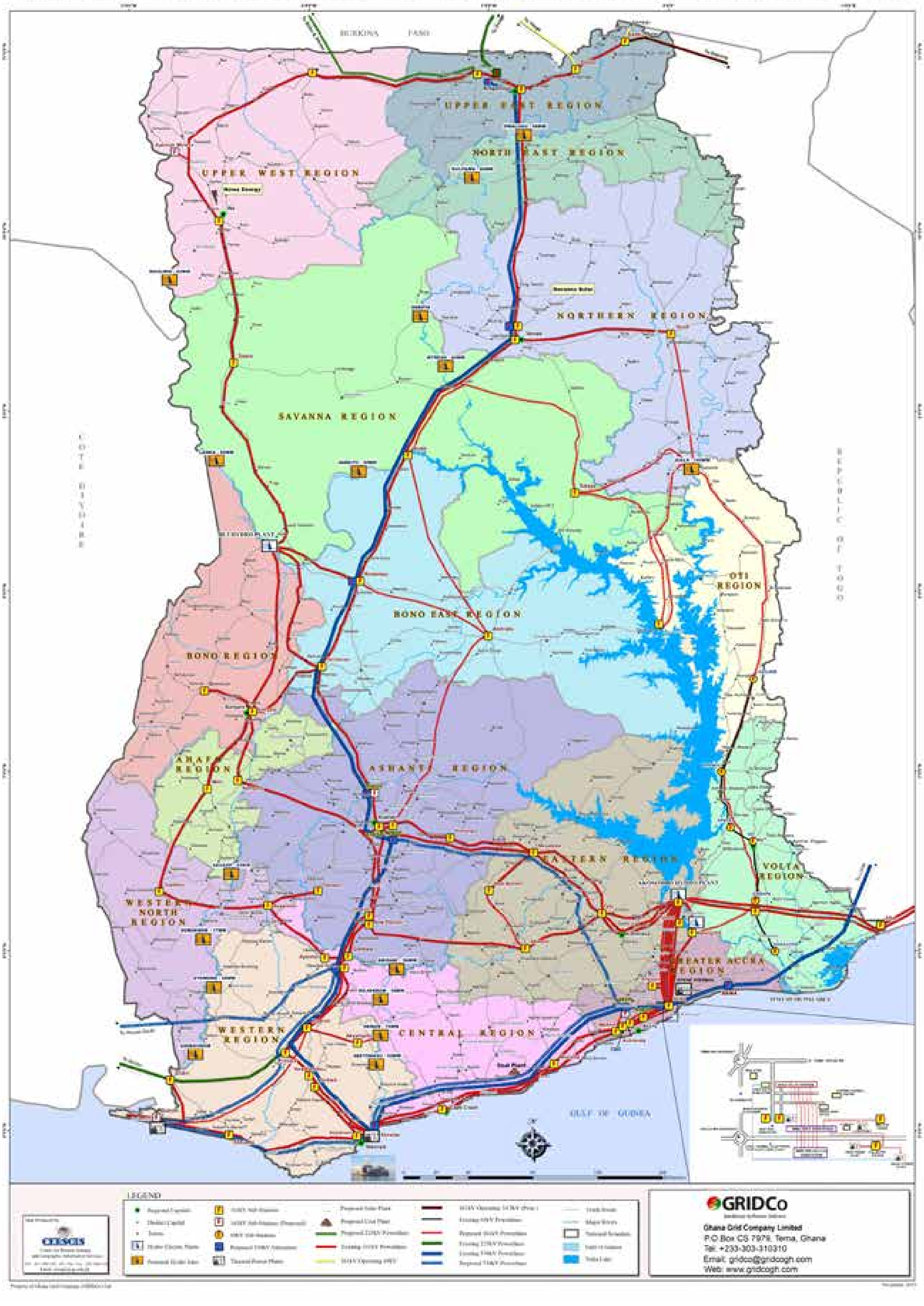
Wholesale Suppliers (Generators) as of December, 2021

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

GLOSSARY

1. BPS - Bulk Supply Points
2. EC - Energy Commission
3. EPA - Environmental Protection Agency
4. ERP - Enterprise Resource Planning
5. GRIDCo - Ghana Grid Company Limited
6. IPPs - Independent Power Producers (* or wholesale suppliers)
7. kV - Kilo Volts
8. MVA- Megavolt-Amperes
9. MW- Mega Watts
10. MiDA - Millennium Development Authority
11. NCA- National Communications Authority
12. NITS- National Interconnected Transmission System
13. NND - Northern Network Department
14. No. - Number / Quantity
15. OPGW - Optical Ground Wire
16. PPEs - Personal Protection Equipment
17. PURC - Public Utilities Regulatory Commission
18. SIGA - State Interests and Governance Authority
19. SND - Southern Network Department
20. WAGPCo – West Africa Gas Pipeline Company
21. WAPP- West Africa Power Pool

NATIONAL INTERCONNECTED TRANSMISSION SYSTEM OF GHANA



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