



GRIDCo

Backbone to Power Delivery

GHANA GRID COMPANY LIMITED



**ANNUAL
REPORT**
2011

HEAD OFFICE

P.O. Box CS7979
Tema, Ghana

Phone: (+233)(0)303 310310;
(+233)(0)303 2660049
Fax: (+233) (0)303 3303317;
(+233) (0)303 2676185
Email: gridco@gridcogh.com
Web: www.gridcogh.com

AKOSOMBO AREA

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

TAKORADI AREA

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

TECHIMAN AREA

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

VOLTA AREA

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

PRESTEA AREA

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

KUMASI AREA

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

TAMALE AREA

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

Contents

Notice and Agenda of Annual General Meeting	03
Corporate Information	04
Profile	05
Chairman's Review	06
Corporate Governance	09
CE's Message	12
General Operations	18
General Overview	18
Electricity Transmission	18
System Maintenance	21
Market Operations	22
Projects	22
Energy Saving Tips	25
Audited Financial Statements	26



NOTICE AND AGENDA OF THE 3RD ANNUAL GENERAL MEETING OF THE GHANA GRID COMPANY LIMITED.

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of the Ghana Grid Company Limited (GRIDCo) will be held at the GRIDCo Head Office Board Room, Tema, on Wednesday, July 4, 2012 at 10.00a.m. to transact the following business:

1. To receive and consider the Financial Statements for the year ended December 31, 2011 together with the Reports of the Directors and Auditors thereon;
2. To fix the remuneration of the Board of Directors.
3. To amend the objects of the Company as follows: "To construct, use or permit the use of the transmission and communication assets for commercial telecommunication services and other related services."
4. To convert HIPC Loans and Sovereign Bonds granted to the Company by the Government into equity.

DATED IN ACCRA THIS DAY OF 20TH JUNE, 2012.
BY ORDER OF THE BOARD

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

NOTE:

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



Corporate Information

Directors

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

Board Secretary

Monica Nana Ama Senanu (Mrs.)

Auditors

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

Registered Office

Ghana Grid Company Limited
P. O. Box CS 7979
Tema, Ghana
Tel: +233(0)303 304 818
Fax: +233(0)302 676 185
E-Mail: gridco@gridcogh.com
Website: www.gridcogh.com

Accra



MISSION STATEMENT

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

PROFILE

Ghana Grid Company Limited (GRIDCo) is a private limited liability company wholly owned by the Government of Ghana. GRIDCo was established in December, 2006 but became operational in August, 2008. GRIDCo carries out the transmission of electricity from facilities of wholesale suppliers to distribution companies and bulk customers across the country.

The Company's head office is located off the Aflao Highway, Tema with other operational offices located in different parts of the country.

GRIDCo is regulated by the Public Utilities and Regulatory Commission and the Energy Commission pursuant to the Public Utilities and Regulatory Commission Act, 1997 (Act 538) and the Energy Commission Act, 1997 (Act 541) respectively. The Company is also a member of the West African Power Pool

which is set up to ensure improved efficiency of power supply in ECOWAS Member States and increased access to energy for its citizens.

In order to ensure an efficient transmission of electricity all over the country, GRIDCo has undertaken and continues to undertake a number of projects which will revamp the transmission infrastructure across the country and improve the reliability and security of supply to customers.

The Company's dedication to professionalism demands that we structure our operations on established safety and environmental standards and practices. In all of its operations, GRIDCo also ensures that technical standards and the overall performance of the grid are maintained.

As in the past few of years, GRIDCo continues to explore innovative ways to ensure delivery of reliable electricity to all our customers in the country and beyond.

Values

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



MR. E. APPLAH KORANG
Board Chairman

“GRIDCo is committed to ensuring the transmission network operates at its optimum. Therefore we intend to continue with our pursuit of initiatives which will enhance the efficiency of the system and to add on to the network to keep ahead of load growth.”

CHAIRMAN'S REVIEW

Our dear Shareholders, it is my honour to welcome you to the 2011 Annual General Meeting of GRIDCo and to present, on behalf of the Board, the Annual Report for the 2011 Financial Year.

In 2011, we began to realize some of the benefits of instituting the Corporate Strategy and the Five Year Capital Investment Programme we rolled out in 2009. The strong financial and operational performance results of 2011 flowed directly from the Program and Strategy which included the modernization of the National Interconnected Transmission System (NITS) and the expansion of the network to provide redundancy within the network. The implementation of the modernization programme had revealed some policy issues that needed to be addressed in order to improve efficiency, cost and delivery. Of course, an increase in the Transmission Service Charge (TSC) our source of revenue had significantly helped in the modernization of the transmission system.

FINANCIAL OPERATIONS

The company continued to improve on its finances with the financial performance for the year achieving a net profit of GHC83.851million. In all, revenue from energy transmitted amounted to GHC235.62million. GRIDCo has put in place measures to critically monitor revenue inflows. In this regard, GRIDCo continues to work with the Cross Debt Clearing House set up under Ministry of Finance to resolve payment issues between public institutions and the utilities.

POLICY ISSUES

The issue of capitalization of GRIDCo in particular and the Energy Sector as a whole requires a long term solution to facilitate the development of a reliable and efficient Power Sector. For GRIDCo, it will positively affect the pace of modernization of the National Interconnected Transmission System.

The current procurement process considerably slows down implementation of projects. Our projects are capital intensive and lead times

can be very long. GRIDCo continues to review internal procedures to enhance quality decisions and efficiency.

The current procurement process itself needs to be reviewed to improve project implementation and delivery, while ensuring the current safeguards are maintained. GRIDCo is preparing a Procurement Manual that seeks to achieve these objectives, for discussion with Government.

GRIDCo is also exploring a worldwide industry trend of leveraging its assets to provide essential non-energy services in order to create additional shareholder value and also meet Governments developmental objectives. GRIDCo has requested for an amendment of its objects to enable it play this role. In this regard, GRIDCo is also anxiously awaiting final resolution of the Vodafone issue.

GRIDCo continues to be guided by policies of Government in the Energy Sector in all our projects.

For example, in line with government's stated policy to leverage new project activities to advance the development

of local content or Ghanaian capability in the implementation of projects, the Company completed the Buipe Substation using 100% Ghanaian expertise in designing, developing, constructing and commissioning the substation. We will continue to champion this path in all the projects we implement and the services we engage.

With regards to playing our role within Government's policy to deliver reliable supply of high quality energy services for all sectors of the Ghanaian economy and also become a major exporter of power to the sub-region, we completed and published a 15-Year Generation Master Plan report which will serve as a long-term blueprint for public and private sector investment in generation system development. This blueprint will complement the ten year (2011-2020) Transmission System Master Plan we developed in year 2010.

OPERATIONAL ISSUES

To enhance system reliability and stability and also provide a guide for all contractors and consultants, the Company engaged the services of Siemens AG to undertake a Protection System Coordination Review Study that will establish protection procedures, standards, and tools for integrating future power systems – generators, transformers and transmission lines - into the existing system without adversely affecting the integrity and reliability of the protection system in place.

The Annual Reliability Assessment Report and the Electricity Supply Plan were published for the second consecutive year to give all stakeholders an appreciation of general information about the system, especially with respect to the bulk power supply system and the demand and supply position for the year under various assumptions of load forecast and generation availability.

Additionally, we directed our efforts in expanding the National Interconnected Transmission System (NITS) by successfully completing and commissioning the Ayanfuri and Buipe Substation projects which were initiated in year 2010. Planned installation of capacitor banks in Cape Coast, Ho, and Mallam were on-going at the end of the year and these were scheduled to be completed in 2012.

During the period under review, GRIDCo also commenced the Accra East Substation Project with the aim of developing a Third Bulk Supply Point (A3BSP) for Accra to improve upon the reliability of supply and reduction in distribution losses. The development of the A3BSP had been GRIDCo's strategy to extend the high voltage grid to major load centres. This Project involves the construction of a 161/34.5kV substation at Adjiringanor under the existing Volta-Achimota lines, the Installation of two (2) 161/34.5kV, 66MVA power transformers and the expansion of the Achimota substation for the termination of an additional 161kV line. The project is expected to be completed by the end of 2012.

In anticipation of the establishment of the Wholesale Electricity Market (WEM) in Ghana, which would lead to improvements in efficiency and reliability of electricity supply in Ghana, GRIDCo organized the first major stakeholders' forum on market operations. The rationale was to explain the establishment of the Market and to present an overview of the phased approach towards its operationalization. A Market Coordinators Workshop was also held to establish the responsibilities of the Market Coordinators and their working relationship with GRIDCo as Market Operator. The objective was to enable participants to understand the structure and challenges of the electricity industry

...we directed
our efforts
in expanding
the National
Interconnected
Transmission
System (NITS)...



Chairman's Review *(Continued)*

in Ghana, and to appreciate the concept of the Wholesale Electricity Market.

CORPORATE SOCIAL RESPONSIBILITY

As has been our practice, we continued to support the Ghana Heart Foundation in order to maintain our best practice of being socially responsible to the society where we operate.

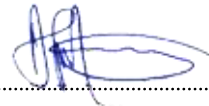
OUTLOOK

The year under review saw the Company continuing its efforts to operate efficiently notwithstanding the various challenges within the industry. We would continue to train and equip our staff with State-of-the Art technologies to enhance their job performance for more innovative and collaborative ways of ensuring customer satisfaction.

CONCLUSION

In conclusion, I wish to thank the Government for their continuing support for the Company's endeavors to transmit power and operate the system effectively. I wish also to thank our valued customers for their support during the period, and wish to assure them of our commitment to serve to the best of our ability.

May I take this opportunity to thank Management and staff and my colleagues on the Board for their dedication and support in ensuring that GRIDCo continues to transmit electricity and operate the system to the satisfaction of our customers.



Mr. E. Appiah Korang
Chairman of the Board
Ghana Grid Company Limited



We would continue to train and equip our staff with State-of-the Art technologies to enhance their job performance for more innovative and collaborative ways of ensuring customer satisfaction.



CORPORATE GOVERNANCE

In accordance with Section 180 of the Company's Act 1963 (Act 179) and in order to shape the Company's performance towards long-term success and to establish a healthy relationship between the Shareholder and the Management, the Board of Directors of GRIDCo was set up when the Company became operational.

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

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

The Committees currently constituting the Board are (i) the

Finance and Audit Committee, (ii) the Engineering and Operations Committee, (iii) the Compensation and Industrial Relations Committee and (iv) the Market Operations Oversight Adhoc Committee.

The Finance and Audit Committee

The Committee ensures that Management implements fundamental business processes which provide access by the Board and Management, to timely, relevant and reliable financial and operational information. Reports submitted to this Committee incorporate not just actual achievements, but projected or budgeted targets and other performance indicators including strategic and business planning actions.

Financial viability is essential if GRIDCo wants to meet its ongoing financial

obligations, facilitate continuance of its activities and pursue its objectives. The Committee reviews funding facilities and their associated terms to ensure the Company will continue to be viable after commitments to these Facilities are made. Preparation of financial planning and budgeting is essential to underpin strategic and annual business planning to ensure financial resources will be sufficient to achieve desired organisational outcomes. Consequently the Committee monitors the Company's achievements against financial targets.

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





BOARD OF DIRECTORS

The Compensation and Industrial Relations Committee

This Committee, which considers issues related to Strategic Human Resource Planning, recognizes that without appropriate human resource capability and capacity, the company may struggle to achieve its objectives. The Committee advises the Board which guides Management to recruit and retain suitably skilled and qualified personnel who need to achieve high levels of accountability, efficiency, good ethics, responsibility and fairness in all areas of the Company's operation.

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

priority of each project in relation to its impact on the National Transmission Interconnected System. The projects undertaken also have to be consistent with the Company's Transmission Master Plan and the Government's vision for the energy sector.

Market Operations Oversight Adhoc Committee

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

Stakeholder Management

The Board also encourages efficient consultation with key stakeholders such as funding agencies, electricity generators, customers, contractors and suppliers, in order to promote good governance. This enables the stakeholders to understand GRIDCo's objectives and strategies and helps them to back GRIDCo in the achievement of those objectives.

...the Committee advises the Board which guides Management to recruit and retain suitably skilled and qualified personnel.

The Engineering and Operations Committee

This Committee ensures that GRIDCo stays focused in the achievement of its primary mandate of transmission of electricity in a reliable and cost efficient manner. The Committee evaluates proposals for various projects and assesses the

MEMBERS OF THE BOARD



BOARD MEMBERS

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



MR. CHARLES A. DARKU
Chief Executive

CE'S MESSAGE

Dear Shareholders, distinguished ladies and gentlemen.

It gives me much pleasure to welcome you to the Third Annual General Meeting of Ghana Grid Company Limited (GRIDCo) and to present to you a review of our business performance during the year 2011.

We started the year putting into operation the final stages of the organizational restructuring we initiated in 2010 by decentralizing our core transmission network services into the Southern Network Services and Northern Network Services Departments. We further created an Operational Area each under these departments in Prestea and Techiman to enhance operations and maintenance of the transmission system in those vicinities. These actions devolved decision making closer to the work level. A new Department, Network Performance Department was also created to monitor the technical performance of the network and explore innovative ways of improving the reliability and security of the transmission network

“The increase in revenue is attributable to increase in energy transmitted as well as prudent fiscal management and improvements in operating efficiency. “

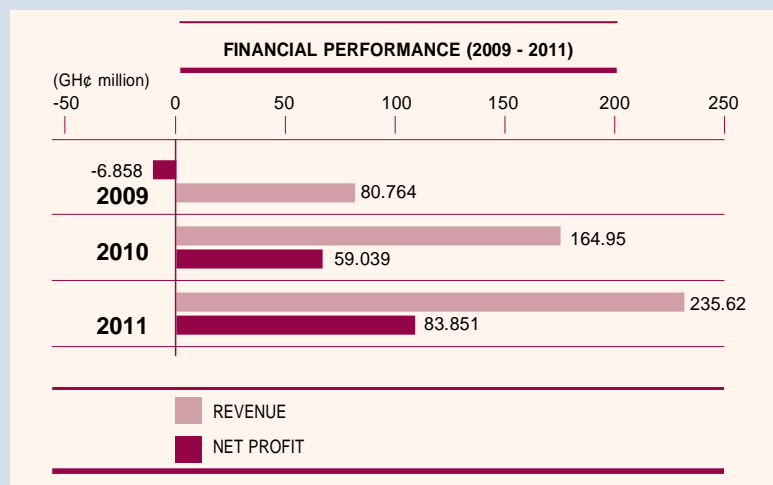
Simultaneously, we moved to resource the operational departments with tools and critical equipment needed for their day-to-day activities. We increased our stock of operational vehicles significantly, including the procurement of specialized vehicles to augment those being used by the operations and maintenance departments. The company further started the construction of warehouses in five(5) of our operational Areas to stock critical spares and parts needed for maintenance works across the network closer to the work location. The warehouse for the Volta (Tema) operational Area was completed and taken over in October, 2011. The others are scheduled for completion in 2012

Management organized a Strategic Retreat to assess the company's performance, work progress and challenges in order to revise the way forward where necessary to improve

financial and operational performance and achieve corporate goals and objectives. Prominent among the discussions during the retreat was the implementation of innovative ideas and modern strategies in our daily operations across the organisation. The concept of a newly branded GRIDCo highlighting new innovative and efficient delivery of services was launched. This year's brand, GRIDCo 4.2 was well received.

FINANCIAL OPERATIONS

GRIDCo delivered another year of solid financial performance with revenue from energy transmitted and energy wheeled amounting to GHC235.62 million. End of year profit stood at GHC 83.851 million, an increase of 42% over the previous year's. The increase in revenue is attributable to increase in energy





transmitted as well as prudent fiscal management and improvements in operating efficiency. Of course, the tariff increase announced by the regulator was extremely helpful.

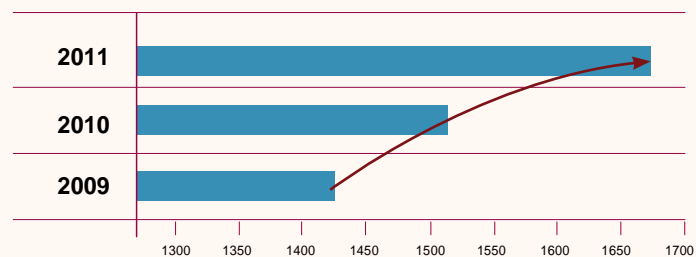
POWER TRANSMISSION SYSTEM

The company transmitted a total of 10,802.598GWh of electricity across the network out of which 10,027.607GWh was consumed within Ghana. Total energy transmitted to CIE, CEB, SONNABEL and the Youga Mines summed up to 774.991GWh. Overall, electricity transmitted for consumption within Ghana in 2011 represented a 9.7 per cent increase over the 2010 figure of 9,847.43GWh.

The transmission network recorded an average transmission loss of 4.28% of net generation, higher than the 2010 figure of 3.71%. This increase in overall average transmission losses was largely due to non-optimal generation dispatch, poor customer end power factors, and lack of adequate reactive power compensation at key bulk supply points.

On the demand side, the system recorded a maximum peak demand of 1,664.6MW on December 20 at 19.45Hrs representing a 10.54% or a 158.7MW increase over the 2010 peak demand of 1,505.9MW.

SYSTEM PEAK TREND (2009 - 2011)



PROJECTS

In line with the company's objective of implementing strategic improvements to the National Interconnected Transmission System (NITS) in a systematic manner, the Ayanfuri and Buipe substation projects which were initiated in year 2010 were completed and commissioned. A number of Substation Upgrade Projects, which include, among others the increase of transformer capacity at selected substations, replacement of obsolete equipment at various substations were completed. Additionally, planned installation of capacitor banks of various capacities in Cape Coast, Ho, and Mallam were on-going and expected to be completed in early 2012. This project when completed will improve the voltages at the aforementioned substations especially during peak periods and thus assist in the reduction of reactive power output of the generating stations.

NETWORK IMPROVEMENT STUDIES

In the discharge of our responsibilities under Section 7 of the National Electricity Grid Code, the company undertook the under-listed studies to enable stakeholders have enough information on the power sector and to plan their activities accordingly.

1. Annual Electricity Supply Plan

For the second successive year the Annual Electricity Supply Plan for the year was published to provide an outline for providing adequate electricity to meet demand in a reliable manner during the year. The plan is prepared based on the best available information and assumptions for load forecasts and generating unit availability and commitments.



“The projected system peak demand for year 2012 is expected at 1,857.2 MW, which translates into an 11.6 % or 192.6 MW growth over the 2011 recorded figure of 1,664.6 MW.”

2. Transmission System Master Plan

We rolled out a 10-year Transmission System Master Plan to serve as a road map for all new investments in the transmission network. The Plan confirms most of the proposed and on-going projects we have scheduled under the Five-Year Capital Investment Plan which was published in 2010.

3. Generation System Master Plan Study

We completed and published a 15 year (2011-2026) Generation Master Plan Study for Ghana. This document will serve as a guide to the general public and especially private sector investors in systematic expansion of generation infrastructure. It will also help determine the optimal technology options and installed capacity reserves needed to reach the required system reliability level.

4. System Protection Coordination Review Study

GRIDCo during the year appointed Siemens AG of Germany to undertake a Protection System Coordination Review Study that will assess the current state of protection coordination and make recommendations to achieve better discrimination and selectivity in protective relay operation and thereby enhance system reliability and stability.

The study which is scheduled for completion in 2012 will also be used to update protection procedures, standards and guidelines for integrating future power system elements

into the existing network, taking into consideration the open access transmission network obligations of GRIDCo.

OPERATIONAL SAFETY

Safety

Our primary duty as transmission systems asset owner and operator is to operate safely, provide a safe place of work and create facilities that are safe to use at all times. Safety thus continued to be at the core of our business operations and remains a top priority for Management. We understand and acknowledge that our business operations are of a high risk and that if these risks are not eliminated satisfactorily or mitigated they could have severe consequences for our employees, customers and communities in which we operate. Our collective will during the year was therefore to ensure that employees and contractors return home safely, every day.

We believe that through a decentralized work arrangement, stricter adherence to our safety policies and procedures we can continue to achieve an incident free environment at the workplace day-by-day and year-by-year.

To augment the efforts from the Work Area Safety Committees in all Operational Areas, various training initiatives were organized during the year for Safety Coordinators and staff to promote general risk awareness and mitigation plans in the company.



...the Corporate Social Responsibility initiatives we undertook around the country contributed tremendously to the welfare of recipients ...

MARKET OPERATIONS

As part of the preparation for the commencement of the Wholesale Electricity Market (WEM), a Draft Electricity Market Rule for the Phase One Market Operations dubbed the Data Exchange (DE) Phase was developed and submitted to the Energy Commission (EC) for review. Consultations with various stakeholders on the rule to adopt for the operationalization of the Wholesale Electricity Market also took place during the year.

A planned implementation of Phase One of the Wholesale Electricity Market, the DE Phase will commence in 2012.

MANAGEMENT INFORMATION SYSTEMS

The Company during the year completed the separation of its businesses process including, the Computron Financial and Materials System (FINMAT) and the Human Resource Management System (HRMS) from the Volta River Authority (VRA) platform. The system has been ported onto GRIDCo's own Enterprise Servers and it is currently running on these servers.

HUMAN RESOURCE, INDUSTRIAL RELATIONS, TRAINING AND DEVELOPMENT

The Company took a number of initiatives during the year aimed at empowering staff to deliver at higher levels of productivity. To nurture and improve the capacity of the existing manpower, a series of training and development interventions – both functional and developmental – were carried out with the focus on building leadership capabilities, strategic analysis and to develop new skills to be able to operate and maintain a range of the new equipment being introduced into the system.

We also implemented various welfare schemes and incentive packages for staff aimed at improving the work environment. To augment the Company's branding efforts, a GRIDCo branded designer fabric was introduced for staff.

During the year, five hundred and ninety four (594) employees undertook various training programmes in both local and overseas training facilities as against four hundred and seventy five (475) who attended similar training programmes in 2010.

At the close of the year, GRIDCo's staff strength stood at seven hundred and seventy (772), an increase of 5.90 % over the 2010 figure of seven hundred and twenty nine (729).

CORPORATE SOCIAL RESPONSIBILITY

We believe that the Corporate Social Responsibility initiatives we undertook around the country contributed tremendously to the welfare of recipients and earned the Company the goodwill of the beneficiary communities. We continued with our yearly support for the Ghana Heart Foundation in line with our corporate policy.

Other institutions such as the Ghana Police Service, the University of Ghana Medical School and the School of Medical Sciences of the Kwame Nkrumah University of Science and Technology also benefited from this initiative. The company also supported the Offinso-based Physically Challenged Action Foundation – a non-governmental organization which supports orthopedic surgery for the physically challenged.

As part of our annual Safety Week Celebrations, staff made personal contributions to a fund for a donation of GHC10,000.00 to the Kokofu General Hospital which specializes in skin diseases and disorders.



OUTLOOK FOR 2012

GRIDCo expects an increase in energy consumption as a result of demand growth boosted by economic activity and expected new spot loads from Savannah Cement Factory at Buiepe in the Northern Region (increase by 7 MW), Anglo Gold Ashanti's additional operations in New Obuasi (7 MW), Central Ashanti Gold mining at Ayanfuri (15 MW) and a proposed new gold mine at Konongo (4 MW). On-going network expansion works and measures to improve the quality of distribution services by ECG are expected to release suppressed demand culminating in an increase in demand amongst domestic customers. Other important loads for the year will come from the Rural Electrification Projects being pursued by Government which is expected to connect about 55,000 new customers in 38 districts across the country.

The projected system peak demand for year 2012 is expected at 1,857.2 MW, which translates into an 11.6 % or 192.6 MW growth over the 2011 recorded figure of 1,664.6 MW.

CONCLUSION

Management would like to express its gratitude to all of the Company's stakeholders, especially Government through the Ministry of Energy, the Board of Directors, all Staff and our financiers for the goodwill we have enjoyed from them and their support to GRIDCo. We also appreciate the significant attention and support we have received from the general public.


Charles Darku
CHIEF EXECUTIVE
Ghana Grid Company Limited

During the year, five hundred and ninety four (594) employees undertook various training programmes in both local and overseas training facilities as against four hundred and seventy five (475) who attended similar training programmes in 2010.



MANAGEMENT



MANAGEMENT

1. Mr. Charles A. Darku (*Chief Executive*)
2. Mr. Suraj Omoro Amadu (*Director, Network Performance*)
3. Mr. Isaac K. Akesseh (*Director, Finance*)
4. Mr. Eric Asare (*Director, System Operations*)
5. Mrs. Monica N. A. Senanu (*Company Solicitor & Board Secretary*)
6. Mr. Norbert C. D. Anku (*Director, Engineering*)
7. Mr. Kofi Okofo Dartey (*Chief Internal Auditor*)
8. Rev. Samuel Frempong Kwofie (*Director, Northern Network Services*)
9. Mr. Benard Tawia Modey (*Director, Southern Network Services*)
10. WG. Cmdr. (Rtd.) Samuel J. A. Allotey (*Director, HR & Services*)



“The increase in power consumption is attributed to growth in the economy...”

Engineers inspecting on-going works at Mallam Substation



Newly constructed Buipe Substation

GENERAL OPERATIONS GENERAL OVERVIEW

We continued with our focused strategies in transforming our transmission system into a modern state of the art grid that is even more stable and robust network to deliver efficient and cost effective electrical power supply for the socio-economic development of Ghana and beyond.

In pursuant of this strategy, a number of system improvements, expansion and rehabilitation projects were accomplished during the year, notable amongst them are; the construction and commissioning into service new substations at Ayanfuri and Buipe; the installation and/or upgrade of transformers at Akwatia, Winneba, Asawinso, Konongo, Mallam, etc.; the installation of 226.8MVar of shunt capacitor banks to improve the voltage situation across the network. A fourth transmission line was strung between Tema and Accra to increase the power transfer capacity to Accra.

The power system however recorded an increased number of incidences of load shedding as a result of insufficient generation.

went into domestic consumption. Total energy transmitted to CIE, CEB, SONABEL and the Youga Mines in Burkina Faso summed up to 774.991GWh. The total energy transmitted in 2011 represented a 9.7 per cent increase over the 2010 figure of 9,847.43GWh. The increase in power consumption is attributed to growth in the economy and to new spot loads such as the Savanna-Diamond Cement at Buipe, the Central Ashanti Gold at Ayanfuri and the operation of one pot-line by the Volta Aluminium Company Limited (VALCO).

During the period, average transmission losses as a percentage of net generation was 4.28 % or 485.05 GWh as compared to the losses for 2010 which stood at 379.70GWh or 3.71%. Due to the high level of the Volta Lake at the end of the reservoir inflow season, there was increased hydro power generation relative to thermal power generation. Thus more energy had to be evacuated from the eastern part of the network to the western and northern parts of the network leading to an overall average increase in transmission losses.

A significant constituent of the transmission system losses could also be attributed to poor customer end power factors and lack of adequate reactive power compensation by the distribution companies and large industrial firms.

ELECTRICITY TRANSMISSION

In 2011, energy transmitted by GRIDCo across the grid amounted to a total of 10,802.598GWh, out of which 10,027.607GWh

The system recorded a maximum peak demand of 1,664.3MW on December 20 at 19.45hrs and this represents a 10.52% or a 158.4MW increase over the 2010 peak demand of 1,505.9MW.

Table 1: 2011 Monthly Energy Transmitted

2011 MONTHLY ENERGY TRANSMITTED (MWH)													
CUSTOMERS	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
VALCO	20,597.00	42,280.00	52,858.00	51,622.00	54,412.00	51,845.00	54,754.00	54,754.00	52,297.00	54,815.00	51,702.00	54,579.00	596,515.00
E.C.G.	596,869.61	560,945.21	640,849.20	623,079.99	606,030.04	589,117.48	569,652.56	581,196.19	581,303.63	606,560.33	628,611.18	658,466.89	7,242,682.31
MINES	107,469.49	100,294.69	105,517.34	108,454.81	109,253.29	105,374.38	107,501.13	110,835.12	111,893.31	111,901.51	111,258.80	112,563.68	1,302,317.55
FREE ZONES BOARD	428.20	475.40	492.80	496.60	492.80	771.40	835.00	840.90	838.40	750.80	870.00	824.80	8,117.10
ENCLAVE POWER COMPANY	3,345.10	3,249.90	3,625.90	3,474.50	3,589.00	3,332.00	3,607.70	3,240.20	3,315.82	2,944.10	2,714.20	2,648.20	39,086.62
C.E.B.	65,060.10	65,060.10	81,389.60	72,322.50	68,374.00	59,416.50	54,421.00	49,169.20	49,696.60	47,502.30	54,810.30	63,350.24	730,572.44
DIAMOND CEMENT	4,198.00	4,332.00	4,190.00	4,342.00	3,477.00	3,572.00	4,309.00	4,726.00	4,643.00	4,553.57	4,633.00	4,498.00	51,473.57
SAVANA DIAMOND CEMENT	-	-	-	6.04	193.83	629.26	674.87	662.52	523.04	470.30	470.54	719.45	4,349.85
A.T.L.	1,582.56	1,158.32	1,252.40	975.79	1,190.48	1,337.04	1,339.76	1,203.36	859.76	1,302.16	1,453.76	1,102.16	14,757.55
ALUWORKS	569.10	703.70	847.70	766.60	653.70	563.30	728.80	777.80	731.63	641.70	627.20	545.00	8,156.23
VRA TOWNSHIPS AND INSTALLATIONS	2,472.10	2,457.81	2,763.63	2,751.30	2,812.34	2,620.34	2,615.07	2,781.32	2,553.48	2,751.70	2,848.28	2,848.18	32,275.57
NEDCo	55,383.41	56,086.43	62,878.91	62,670.86	65,428.32	58,809.50	58,337.10	58,787.89	58,042.39	63,322.53	65,053.41	61,701.45	726,502.19
SONABEL	457.21	463.02	536.68	539.90	525.91	491.70	473.38	418.46	458.48	530.60	491.98	465.08	5,852.40
SONABEL (YOUNGA MINES)	3,241.30	2,892.70	3,028.35	3,341.40	3,010.50	3,130.47	3,367.00	3,415.50	3,060.10	3,459.90	3,130.60	3,487.90	38,565.72
WORLD COOL LTD	0.00	0.00	0.00	12.88	2.51	78.42	60.90	40.35	48.38	34.44	51.82	47.34	377.04
VOLTA HOTEL LTD	64.32	63.44	71.42	72.13	67.77	58.94	58.48	61.13	59.78	61.67	64.68	67.70	771.46
TV 3	3.37	3.84	5.37	5.33	5.45	5.90	4.96	4.28	2.12	5.79	5.64	6.95	58.99
VODAFONE (NCBC)	4.89	3.41	3.99	3.90	3.93	4.21	3.70	3.83	3.61	4.16	3.90	4.13	47.65
S. ASOGLI PLANT	6.68	13.54	-	-	10.43	6.06	0.50	5.33	1.13	41.50	2.93	30.38	118.48
TOTAL	861,752.44	840,483.51	960,311.29	934,938.54	919,533.30	881,163.88	862,744.92	872,923.39	870,331.67	901,654.04	928,804.22	967,956.53	10,802,597.72

FIGURE 1:
Monthly Energy Transmitted to Key Customers (MWh)



FIGURE 2:
Total Energy Transmitted to Customers in 2011

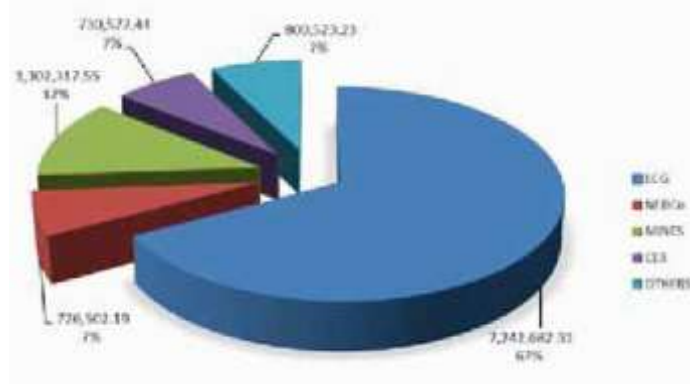


TABLE 2:
Total Energy Transmitted for Domestic & Export Consumption (GWh) 2006 -2011

	2006	2007	2008	2009	2010	2011
Total Domestic Energy	7,935.076	6,615.303	7,577.358	8,017.466	8,811.141	10,027.607
Total Export Energy	754.473	248.422	538.021	766.611	1,036.289	774.991
Total Energy Transmitted	8,689.549	6,863.724	8,115.379	8,784.077	9,847.430	10,802.598

FIGURE 3:
Energy Transmitted: Domestic vs Export (2006 - 2011)

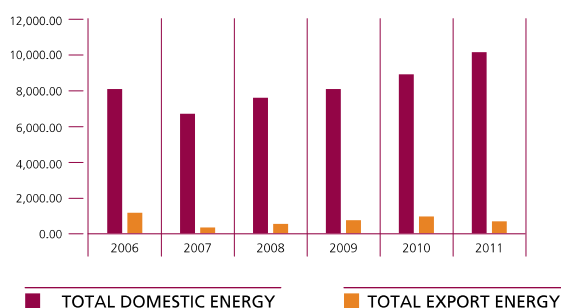
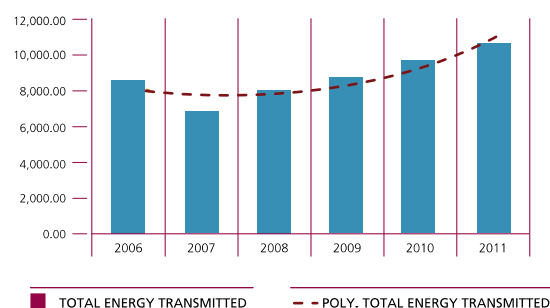


FIGURE 4:
Trend of Total Energy Transmitted from 2006-2011



“Planned and periodic thermo-vision tests were conducted for all terminal equipment at substations and “hotspots” identified were immediately rectified.”

His Excellency President J. E. Atta Mills addressing staff during a working visit at GRIDCo.



SYSTEM MAINTENANCE

The GRIDCo network registered an average performance of 99.3% availability on its transmission lines consisting of 69kV, 161kV and 330kV lines for the period under review. This performance is slightly lower than that of 2010 in which a figure of 99.52% was recorded. The average performance of 99.3 % for the period is however, above the PURC regulated target of 95.0%. Even though the transmission line availability for the period was lower than that of 2010, most of the outages were for maintenance and did not necessarily result in curtailment of supply to customers because of redundancies built in the network.

Across the transmission system, planned, predictive and conditional maintenance activities and inspections were carried out as scheduled on various pieces of equipment during the year.

In all locations, transmission line maintenance teams conducted ground patrols on all transmission line segments, defective hardware were replaced to ensure the transmission lines performed to the admiration of customers and all stakeholders. An Aerial Patrol of all the transmission lines was conducted.

GRIDCo conducted planned inspection of transmission line spans cleared by contractors under the Long term Transmission Lines Right-of-Way Vegetation Management Contracts, to ensure the works are done to the agreed technical specifications.

Predictive washing of transmission lines and bays were carried out in areas with high airborne pollutants especially in the mining areas and in the Volta and Aboadze substations.

Planned and periodic thermo-vision tests were conducted for all terminal equipment at substations and “hotspots” identified were immediately rectified.

Almost all the digital energy billing meters in the network were re-

calibrated, while new ones were installed to replace defective ones and/or electromechanical ones.

Across the system functional trip tests were performed on protective relaying devices for transformers, outgoing feeders, transmission lines and shunt reactors.

Maintenance staff across the system in various ways assisted various consultants and contractors on the field working on numerous projects to ensure that the works were done according to contract specifications or to the internationally best accepted practices.





Newly Constructed Warehouse Facility in Tema

For the second successive year, GRIDCo published the Annual Reliability Assessment Report (ARAR) and the Annual Electricity Supply Plan.



MARKET OPERATIONS

GRIDCo continued with its negotiations with its customers in concluding Transmission Service Agreements (TSA).

We expect to continue negotiations and execute all outstanding TSAs with customers in 2012. With respect to the development of the Ghana Wholesale Electricity Market, various capacity building workshops and study tours were conducted. An implementation strategy to commence with the development of Data Exchange (DE) Phase was rolled out. Draft Market rules for the DE phase was circulated to all Market participants for their study and review. In the last quarter of the year, a stakeholders forum was held to sensitise all market participants to the structural evolution taking place.

PROJECTS

GRIDCo during the period under review continued with various projects and programmes with the view to increasing transformer capacity at various substations and expanding the network in order to bring increased efficiency in transmission service delivery.

Annual Reliability Assessment Report/ Electricity Supply Plan

For the second successive year, GRIDCo published the Annual Reliability Assessment Report (ARAR) and the Annual Electricity Supply Plan. The ARAR presents an outlook of Ghana's bulk power system for stakeholders and the general public. It gives an overview of the operating status of

the bulk power system and assesses whether the minimum reliability standards are met. In addition, the report addresses the historical and long term physical or structural limitations that could impair the reliability of the power system going forward and also estimates the cost to society and the national economy of potential reliability failures. Last year's report also made a similar assessment of the Togo/Benin network which is interconnected with Ghana's.

The Annual Electricity Supply Plan provides a broad strategy for ensuring that projected demand and available supply are sufficiently well aligned to ensure reliable supply throughout the year. It is based on the best available information and assumptions for load forecasts and generation supply availability taking into consideration, among others



scheduled maintenance outages across the system, and seasonal variation in demand. It is intended to be a guide which responds to the energy supply needs of market participants for the coming year. The report also addresses the demand outlook and estimated energy consumption for 2011, the corresponding generation scenarios and the available network infrastructure to support the forecast demand and supply at the Bulk Supply Point (BSP) level. Risk factors within the generation and transmission network are thoroughly discussed to determine their impact on the security and reliability of power delivery for 2011.

Supply of Power Transformers

GRIDCo in 2011 took delivery of a number of power transformers of various ratings to help provide adequate transformer capacity at all substations to meet growing demand. Some of the transformers would also be held in stock as spares to cover for ageing transformers and other transformer contingencies.

Warehouses Project

This project involves the design, construction and supply and stocking of warehouses with identified

spares, standard mechanical tools and specialized equipment in Tema, Takoradi, Kumasi and Tamale.

The project is being funded with a Suppliers Credit Facility by the Agricultural Development Bank. The works are being executed by Ibistek, Ghana at a cost of US\$7.0 million. The warehouse in Tema was completed and taken over by GRIDCo during the year. Works on the others are progressing steadily and are expected to be completed in 2012.

Buipe Substation Project

This project involved the construction of a 161/34.5kV substation at a strategic location under the existing 161kV Techiman-Tamale transmission line to supply power to the Savanna-Diamond cement Company Limited on one feeder, and a second feeder to the Buipe Township and environs and to other future customers in the vicinity.

The US\$8.5 million facility was pre-financed by Savanna-Diamond Cement Company Limited. GRIDCo will reimburse the company with 25 per cent of the project costs by way of a rebate in the transmission service charge.

The project was completed and commissioned into service in 2011.

Ayanfuri Substation

This project consists of the construction of a 161kV single bus bar substation, at Ayanfuri, breaking into the 69.2km 161kV Dunkwa to Asawinso transmission line (D3AS), installation of power transformers and associated balance of plant and equipment to supply power to the Central Ashanti Gold Mine (CAGM). The project which has been completed was financed by the Central Ashanti Gold Mines. The Ghana Grid Company Ltd (GRIDCo) Project Implementation Unit (PIU) with the assistance of an CAGM's Supervision Consultant managed the project. The Dunkwa-Ayanfuri and Ayanfuri-Asawinso transmission line sections have been completed and commissioned to replace the old Dunkwa-Asawinso transmission line.

Supply of Specialized Tools, Equipment and Vehicles

GRIDCo inherited mostly an obsolete and insufficient stock of tools, equipment and specialised vehicles required to undertake its mandate.

Various components of this project were supplied and put to use during the year. These included self-loading Trucks, high pressure transmission

This project involves the design, construction and supply and stocking of warehouses with identified spares, standard mechanical tools and specialized equipment in Tema, Takoradi, Kumasi and Tamale.



equipment and washing machines for the washing of insulators, OPGW-Repair Vehicles, Aerial and Bucket trucks. To access some equipment at certain parts of the substations and remote points of transmission lines, a number of vehicles with capability to traverse rugged terrain along the transmission right-of-way for line maintenance purposes were also procured.

This project is being executed by Ibistek, Ghana under a Suppliers Credit Facility at a cost of US\$18.0 million.

Smelter II Substation Project

This project seeks to construct a 161/34.5kV substation to facilitate the evacuation of power from a number of new thermal plants being constructed or planned for implementation in Tema.

Completion of the project will enhance reliability for the evacuation of power from the Sunon Asogli Power Plant and Cen Power Plant. Additionally, it will provide an adequate and alternative power evacuation route for the three power plants connected directly to the New Tema Substation, 50 MW Tema 2 Thermal Power Plant, the 80 MW Mines Reserve Plant (MRP), 110 MW Tema Thermal 1 Plant (TT1P) and the 110 MW CENIT Energy Power Project.

Consolidated Power Project (Pty) Limited of South Africa is executing the project after a competitive selection process, with funding from Rand Merchant Bank of South Africa at a total cost of US\$25 million. It is scheduled for completion by the end of 2012.

“ ...increase in adequate and alternative power evacuation route for the three power plants connected directly to the New Tema Substation, 50 MW Tema 2 Thermal Power Plant, the 80 MW Mines Reserve Plant (MRP), 110 MW Tema Thermal 1 Plant (TT1P) and the 110 MW CENIT Energy Power Project.





ENERGY SAVING TIPS

Read your electricity meter regularly and set targets to reduce electricity consumption.

Television, CD Player and HiFi

Switch off your TV, CD Player and Hi-Fi systems at the socket outlet. Appliances in the "Standby" mode can use as much as between 10 and 40 % of the electricity that they would normally use during normal operation.

Fridges and freezers

Defrost fridges and freezers regularly to keep them running efficiently. Don't put hot or warm food straight into the fridge or freezer. Let it cool down first. Position your fridge or freezer away from cookers or sources of heat and about 20 cm from walls to allow ventilation of the cooling fins behind the appliance. Don't open fridge or freezer unnecessarily.

Airconditioning units

Switch off ACs when you are going out of the room for long periods (10 minutes or more). Service all ACs regularly to keep them running efficiently. Keep doors and windows shut when the AC is in operation. Shade all windows exposed to the sun, where possible.

Ironing

Iron clothing in bulk and not in small quantities at a time. Ensure that the thermostat on the iron is working and set the right temperature for the clothing being ironed.

Cooking

Use a cooking pan that is slightly bigger than your cooker plate, coil or burner. Keep saucepan lids on. Turn down the heat once food starts boiling.

(Source: Energy Foundation website)

AUDITED FINANCIAL STATEMENTS

Ghana Grid Company Limited REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31 December, 2011.

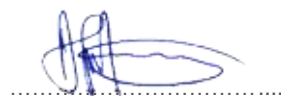
1. The principal activity of the Company is Transmission of Electricity.
2. The balance sheet has been signed by two directors indicating the Board's approval of such balance sheet and attached accounts on pages 29 to 56.

	GH¢'000
The balance brought forward on income surplus account at 1 January 2011 was	59,302
To which must be added:	
Profit after taxation	83,851
Transfer from capital surplus	68,009
The balance to be carried forward on the income surplus account at 31 December 2011 therefore amounts to	211,162
	=====

3. In accordance with section 134(5) of the Companies Act 1963 (Act 179), the auditors, Messrs.

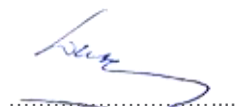
Deloitte & Touche remain in office as auditors of the Company.

By order of the board



E. Appiah Korang

Board Chairman



Charles A. Darku

Chief Executive

AUDITED FINANCIAL STATEMENTS

Ghana Grid Company Limited **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

The above statement, should be read in conjunction with the independent auditors' report on page 28.





INDEPENDENT AUDITORS' REPORT

To the members of Ghana Grid Company Limited

Report on the financial statements

We have audited the accompanying financial statements of Ghana Grid Company Limited, as at 31 December, 2011, set out on pages 29 to 56 which have been prepared on the basis of the significant accounting policies on pages 35 to 41 and other explanatory notes on pages 42 to 56.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2011, and of its financial performance and cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Report on other legal requirements

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

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

Chartered Accountants

Accra, Ghana

11TH JUNE, 2012

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Statement of Comprehensive Income**

For the year ended 31 December 2011

	Note	2011 GH¢'000	2010 GH¢'000
Revenue	4	235,620	164,950
Direct operating costs	5	(114,615)	(88,501)
		-----	-----
Gross profit		121,005	76,449
Other income	6	1,562	1,602
Administrative expenses	7	(36,281)	(16,553)
		-----	-----
Operating profit		86,286	61,498
Finance costs	8	(3,231)	(3,046)
Finance income	9	796	587
		-----	-----
Profit before taxation		83,851	59,039
Taxation	10	-	-
		-----	-----
Profit after taxation		83,851	59,039
		=====	=====
Earnings per share	11	8.39	5.90

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED
Statement of Financial Position

As at 31 December 2011

	Note	2011 GH¢'000	2010 GH¢'000
Assets			
Non-current assets			
Intangible assets	12(a)	109	152
Property, plant & equipment	12(b)	614,388	486,655
Investment	13	6,571	2,347
Total non-current assets		621,068	489,154
Current assets			
Inventories	14	11,594	4,508
Trade and other receivables	15	141,917	79,538
Cash and cash equivalents	16	83,711	32,655
Total current assets		237,222	116,701
Total assets		858,290	605,855
Equity & liabilities			
Equity attributable to equity holders			
Stated capital	17	252,036	252,036
Income surplus		211,162	59,302
Capital surplus	18	144,438	152,897
Total equity		607,636	464,235
Non-current liabilities			
Interest-bearing loans and borrowings	19	159,913	95,697
Total non-current liabilities		159,913	95,697

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED
Statement of Financial Position

As at 31 December 2011

Current liabilities			
Trade and other payables	20	63,571	27,106
Other current financial liabilities	19	27,170	18,817
Total current liabilities		90,741	45,923
Total liabilities		250,654	141,620
Total equity and liabilities		858,290	605,855


E. Appiah Korang
Board Chairman

Charles A. Darku
Chief Executive*The notes on pages 35 to 56 form an integral part of these accounts.*

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Statement of Changes in Equity**

For the year ended 31 December 2011

	Stated capital GH¢'000	Income surplus account GH¢'000	Capital surplus GH¢'000	Total GH¢'000
Balance at 1 January 2011	252,036	59,302	152,897	464,235
Total recognised income and expense	-	83,851	-	83,851
Transfer from capital surplus	-	68,009	(68,009)	-
Revaluation surplus	-	-	59,550	59,550
	-----	-----	-----	-----
Balance at 31 December 2011	252,036	211,162	144,438	607,636
	=====	=====	=====	=====
Balance at 1 January 2010	252,036	(10,972)	150,942	392,006
Total recognised income and expense	-	59,039	-	59,039
Transfer from capital surplus	-	11,235	(11,235)	-
Revaluation surplus	-	-	13,190	13,190
	-----	-----	-----	-----
Balance at 31 December 2010	252,036	59,302	152,897	464,235
	=====	=====	=====	=====

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED

Statement of Cash Flow

For the year ended 31 December 2011

		2011	2010
		GH¢'000	GH¢'000
Operating activities			
Operating profit before tax		83,851	59,039
Adjustment to reconcile profit before tax to net cash flows			
Non-cash items:			
Depreciation and impairment of property, plant & equipment		30,008	23,742
Profit on sale of assets		(366)	-
Interest paid		3,231	3,046
Interest received		(796)	(587)
Working capital adjustments:			
(Increase)/decrease in inventories		(7,086)	756
(Increase) in trade and other receivables		(62,379)	(72,842)
Increase in trade and other payables		36,465	26,763
Net cash generated from operating activities		82,928	39,917
Investing activities			
Proceeds from sale of assets	12b	366	-
Purchase of property, plant and equipment	12b	(98,150)	(8,785)
Addition to intangible asset	12a	-	(100)
(Purchase) of investments		(4,222)	(1,566)
Net cash used in investing activities		(102,006)	(10,451)

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Statement of Cash Flow**

For the year ended 31 December 2011

Financing activities				
Other financial liabilities	26	72,569	1,043	
Interest paid		(3,231)	(3,046)	
Interest received		796	587	
Net cash generated from/(used in) financing activities		70,134	(1,416)	
Net increase in cash and cash equivalents		51,056	28,049	
Cash and cash equivalents at 1 January		32,655	4,606	
Cash and cash equivalents at 31 December		83,711	32,655	
		=====	=====	

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED

Notes to the Financial Statements

For the year ended 31 December 2011

Significant Accounting Policies

1. Reporting entity

The financial statements of Ghana Grid Company Limited (GRIDCo) for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 2nd June 2012. The Company is incorporated and domiciled in Ghana. The registered office is located at Ministry of Energy, P.O. Box SD40, Accra.

2.1 Basis of preparation

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

2.2 Statement of compliance

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

2.3 Use of estimates and judgement

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

IAS 39 - amendment - Financial Instruments: Recognition and Measurement - eligible hedged items (effective from 1 July 2009)

2.4 Standards, amendments and interpretations effective in 2012

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011.
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010.
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment) effective 1 January 2011.
- Improvements to IFRSs (May 2010).

New and amended standards and interpretations - continued

The adoption of the standards or interpretations is described below:

IAS 24 Related Party Transactions (Amendment)
The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the company.

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**

For the year ended 31 December 2011

New and amended standards and interpretations - continued**IAS 32 Financial Instruments: Presentation (Amendment)**

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the company because the company does not have these types of instruments.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as a pension asset. The company is not subject to minimum funding requirements, therefore the amendment of the interpretation has no effect on the financial position nor performance of the company.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position of the company.

- IFRS 7 Financial Instruments — Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the company:

- IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))
 - IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)
 - IAS 27 Consolidated and Separate Financial Statements
 - IAS 34 Interim Financial Statements
- The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the company:
- IFRIC 13 Customer Loyalty Programmes (determining the fair value of award credits)
 - IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
 - IFRS 3 Business Combinations: The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED

Notes to the Financial Statements

For the year ended 31 December 2011

New and amended standards and interpretations - continued

constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

- The amendments to IFRS 3 are effective for annual periods beginning on or after 1 July 2011. The company, however, adopted these as of 1 January 2011 and changed its accounting policy accordingly as the amendment was issued to eliminate unintended consequences that may arise from the adoption of IFRS 3.

2.5 Summary of Significant Accounting Policies

Recognition of income

Transmission service charge:

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

Interest income:

Revenue is recognised as interest accrues.

Fibre Optic Maintenance Income:

Revenue is recognised when service is completed.

Foreign currency translation

The Company's financial statements are presented in Ghana Cedi, which is its functional currency. This is the

currency of the primary economic environment in which Ghana Grid Company Limited operates. Transactions in foreign currencies are recorded at the functional currency spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financial assets

Initial recognition

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

The Company determines the classification of its financial assets at initial recognition.

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

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

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the loans and receivables are derecognised or

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**

For the year ended 31 December 2011

2.5 Summary of Significant Accounting Policies
(Cont'd)
Financial liabilities**Initial recognition**

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

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

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

Subsequent measurement

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

Loans and borrowings

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is

an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

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

Derecognition of financial instruments**Financial assets**

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Company's continuing involvement in the asset.

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**

For the year ended 31 December 2011

2.5 Summary of Significant Accounting Policies
(Cont'd)
Derecognition of financial instruments
Financial assets (Cont'd)

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

Financial liabilities

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

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

Property, plant and equipment

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

Derecognition of Property Plant and Equipment

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

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

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

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

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED

Notes to the Financial Statements

For the year ended 31 December 2011

2.5 Summary of Significant Accounting Policies (Cont'd)

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

Cash and short-term deposits

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

Intangible assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference

between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Inventories

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

Materials - purchase cost on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of non-financial assets

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

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**

For the year ended 31 December 2011

2.5 Summary of Significant Accounting Policies
(Cont'd)
3 Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

Fair value of financial instruments

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

Provisions

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

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)

4	Revenue	2011	2010	2011	2010
		GWH	GWH	GH¢'000	GH¢'000
	Transmission income	10,800	9,808	235,563	164,950
	Wheeling income	84	-	57	-
	Sub-station usage	5	5	-	-
	Transmission loss	485	415	-	-
		-----	-----	-----	-----
		11,374	10,228	235,620	164,950
		=====	=====	=====	=====
5	Direct operating costs			2011	2010
				GH¢'000	GH¢'000
	Staff cost			32,892	18,815
	Materials and spares consumed			1,308	513
	Maintenance & other direct cost			11,741	7,416
	Depreciation			29,131	23,258
	Transmission loss			39,543	38,499
				-----	-----
				114,615	88,501
				=====	=====

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)

6	Other income	2011	2010
		GH¢'000	GH¢'000
	Fibre optic maintenance income	525	584
	Miscellaneous income	1,037	1,018
		-----	-----
		1,562	1,602
		=====	=====
7	Administrative expenses	2011	2010
		GH¢'000	GH¢'000
	Directors emoluments	88	90
	Staff cost	14,625	9,240
	Materials and spares consumed	1,395	592
	Transport & other administrative cost	11,416	3,651
	Depreciation	796	484
	Auditors remuneration	45	40
	Exchange loss	7,916	2,456
		-----	-----
		36,281	16,553
		=====	=====

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)

8	Finance costs		2011 GH¢'000	2010 GH¢'000
	Interest on loans and overdrafts		3,231 =====	3,046 =====
9	Finance income		2011 GH¢'000	2010 GH¢'000
	Interest income		796 =====	587 =====
10	Taxation			
	There is no tax charge for the year (2010:Nil) and there is no tax liability. This is subject to agreement by the Ghana Revenue Authority. A reconciliation between tax expense and accounting profit for the years ended 31 December 2011 and 2010 is as follows:			
		Note	2011 GH¢'000	2010 GH¢'000
	Accounting profit		83,851	59,039
	Add back provision for depreciation		29,927 =====	23,738 =====
			113,778	82,777
	Capital allowance	25	(35,287) =====	(45,623) =====
	Profit Before Capital Allow b/f /(Excess Capital Allow) For the Period		78,491	37,154
	Excess Capital Allowance B/f		-99,599 =====	-136,753 =====
	Excess Capital Allowance Carry Forward		-21,108 =====	-99,599 =====
	Tax thereon 25%		- =====	- =====

AUDITED FINANCIAL STATEMENTS

11 Earnings per share

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

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

	2011	2010
Net profit attributable to equity shareholders	83,850,843	59,039,000
Number of ordinary shares for basic earnings per share	10,000,000	10,000,000
Earnings per share (GH¢)	8.39	5.90

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

12 (a)	Intangible assets	Software GH¢'000	Total GH¢'000
	Cost/valuation		
	Balance as at 1 January 2011	205	205
	Gross revaluation adjustment	25	25
		-----	-----
		230	230
		-----	-----
	Depreciation		
	Balance as at 1 January 2011	52	52
	Gross revaluation adjustment	9	9
	Charge for the year	60	60
		-----	-----
	At 31 December 2011	121	121
		=====	=====
	Net book value		
	At 31 December 2011	109	109
		=====	=====
	At 31 December 2010	153	153
		=====	=====

Notes to the Financial Statements

12(b)	Property, plant &								
				Miscellaneous			Capital		
	Transmission	Freehold	Leasehold	Motor	plant & office	work-in			
Cost/valuation	assets	land	land	Buildings	vehicles	Computers	equipment	progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as at 1 January 2011	1,004,322	459	1,170	15,745	10,639	601	671	62,354	1,095,961
Disposals	-	-	-	-	(762)	(11)	-	(77)	(850)
Transfers	-	-	-	(48)	-	-	-	48	-
Gross revaluation adjustment	125,096	-	-	1,927	1,096	72	82	-	128,273
Additions	823	-	-	125	9,809	114	9	87,270	98,150
At 31 December 2011	1,130,241	459	1,170	17,749	20,782	776	762	149,595	1,321,534
Depreciation									
Balance as at 1 January 2011	597,288	-	88	5,853	5,731	205	142	-	609,307
Disposals	-	-	-	-	(762)	-	-	-	(762)
Gross revaluation adjustment	67,220	-	-	729	769	2	20	-	68,740
Charge for the year	27,539	-	30	266	1,790	160	76	-	29,861
At 31 December 2011	692,047	-	118	6,848	7,528	367	238	-	707,146
Net book value									
At 31 December 2011	438,194	459	1,052	10,901	13,254	409	524	149,595	614,388
At 31 December 2010	407,034	459	1,082	9,892	4,908	396	529	62,354	486,654

Revaluation of property, Plant and Equipment was done at December 31st, 2011 by an internal valuer.

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)**13 Investments**

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

14 Inventories

The inventories are made up of:

Stores and Spare parts

Provision for obsolete & slow moving stock

2011	2010
GH¢'000	GH¢'000
11,595	4,509
(1)	(1)
-----	-----
11,594	4,508
=====	=====

15 Trade and other receivables

Trade receivables

Impairment of trade receivables

Fibre Optic Maintenance Debtor- Vodafone

Prepaid expenses

Staff advances

2011	2010
GH¢'000	GH¢'000
111,710	68,138
(244)	(244)
186	59
26,998	9,239
3,267	2,346
-----	-----
141,917	79,538
=====	=====

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)

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

16	Cash and cash equivalents	2011	2010
		GH¢'000	GH¢'000
	Fixed deposit	28,975	6,000
	Call account	11,914	4,127
	Cash at bank and on hand	42,822	22,528
		-----	-----
		83,711	32,655
		=====	=====

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

	2011	2010
	GH¢'000	GH¢'000
Cash at banks and on hand	83,711	32,655
	-----	-----
	83,711	32,655

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**

For the year ended 31 December 2011 (Cont'd)

17	Issued capital and other capital reserves	2011	2010
i)	The number of shares authorized, issued and in treasury are as follows:-		
	Ordinary:		
	Authorized	10,000,000	10,000,000
	Issued	10,000,000	10,000,000
ii)	Proceeds from the issued shares are as follows:-	GH¢'000	GH¢'000
	Ordinary shares:		
	Issued for cash	1	1
	Consideration other than cash	252,035	252,035
		-----	-----
	Total	252,036	252,036
		=====	=====
18	Amount held towards capital		
	This has been converted in to share capital by a special resolution by the owner.		
19	Interest bearing loans and borrowings	2011	2010
		GH¢'000	GH¢'000
	Loans due within one year	27,170	18,817
		=====	=====

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)

Loans falling due after one year			
		2011	2010
		GH¢'000	GH¢'000
GoG Sovereign bond	31,630		31,630
Loans due within two and five years	5,339		5,489
Over ten years	122,944		66,422
	-----		-----
	159,913		103,541
	=====		=====
20 Trade and other payables			
		2011	2010
		GH¢'000	GH¢'000
Accrued expenses	63,544		27,066
Provision for audit fees	27		40
	-----		-----
	63,571		27,106
	=====		=====
21 Related party transactions			
		2011	2010
		GH¢'000	GH¢'000
(a) Loans due from related parties:			
Officers and other employees	9,838		4,693
	-----		-----
	9,838		4,693
	=====		=====

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**

For the year ended 31 December 2011

22 Financial risk management objectives and policies

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

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

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

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

Market risk

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

Interest rate risk

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

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

	Carrying Amount	
	2011	2010
	GH¢'000	GH¢'000
Fixed rate instruments		
Financial assets	121,548	72,831
Financial liabilities	187,083	122,358

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**

For the year ended 31 December 2011 (Cont'd)

Sensitivity analysis

The company had no variable interest rate instruments at the reporting date and at 31 December 2011.

Foreign currency risk

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

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

	2011 US\$'000	2010 US\$'000
Loans	55,127	28,651
Net balance sheet exposure	55,127	28,651

The following exchange rates were applied during the year:

Ghana Cedi	Average rate	Reporting date spot rate
	2011	2011
GH¢ /US\$ 1	1.5165	1.5841

Sensitivity analysis

A 10 percent strengthening in the Ghana Cedi against the following currencies would have increased/ (decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ended 31 December 2010.

Effect in Ghana Cedis	Profit/(loss) GH¢'000
31 December 2010	
US\$	5,001

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)

A 10 percent weakening in the Ghana Cedi against the above currencies at the reporting date and at 31 December 2011 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

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

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

31 December 2011	Carrying amount GH¢'000	less than	6-12	1-2	2-5
		6 months	months	years	years
		GH¢'000	GH¢'000	GH¢'000	GH¢'000
Accrued expenses	13,674	8,674	5,000	-	-
Loans	187,083	13,585	13,585	27,638	132,275
	-----	-----	-----	-----	-----
	200,757	22,259	18,585	27,638	132,275
	=====	=====	=====	=====	=====

Credit risk

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

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

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED**Notes to the Financial Statements**For the year ended 31 December 2011 (*Cont'd*)**Exposure to credit risk**

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

	2011 GH¢'000	2010 GH¢'000
Trade receivables	111,466	67,894
Other receivables	9,838	4,693
Cash and cash equivalents	83,711	32,655
	-----	-----
	205,015	105,242
	=====	=====

Capital management

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

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

AUDITED FINANCIAL STATEMENTS

GHANA GRID COMPANY LIMITED

Notes to the Financial Statements

For the year ended 31 December 2011 (*Cont'd*)

Collateral

The Company did not hold collateral of any sort at 31 December 2011.

23 Contingencies and commitments

(a) Guarantees and indemnities

There were no guarantees nor indemnities at the reporting date.

(b) Contingent liability

There were no contingent liabilities at the reporting date.

(c) Commitments

The company has a financial commitment of GH¢500,000 towards the construction of an office complex at its head office.

24 Events after the balance sheet date

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

AUDITED FINANCIAL STATEMENTS

25. Capital allowance computation

	Computer Equipment	Automobiles and Machinery	Furniture and Fittings	Buildings, Structures and works of Permanent Nature	
	Class 1	Class 2	Class 4	Class 5	Allowance
	40%	30%	20%	10%	
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Written down value b/f Jan '10	118	143,698	17	5,689	-
Additions	459	5,351	524	-	-
	-----	-----	-----	-----	-----
Balance c/d 31/12/2010	577	149,049	541	5,689	-
Written down allowance	(231)	(44,715)	(108)	(569)	(45,623)
	-----	-----	-----	-----	-----
	346	104,334	433	5,120	(45,623)
	=====	=====	=====	=====	=====
Written down value b/f Jan '11	346	104,334	433	5,120	-
Additions	114	10,632	9	125	-
	-----	-----	-----	-----	-----
Balance c/d 31/12/2011	460	114,966	442	5,245	
Written down allowance	(184)	(34,490)	(88)	(525)	(35,287)
	-----	-----	-----	-----	-----
Written down value c/f	276	80,476	353	4,721	-
	=====	=====	=====	=====	=====

[illegible]

NOTES

[illegible]

[illegible]

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



GHANA GRID COMPANY LIMITED

PROXY FORM

We of
..... being (a) member(s) of the above-named company hereby appoint
..... or failing him/her
..... of
..... as our proxy to vote for us on our behalf at the 3rd
Annual General Meeting of the company to be held on Wednesday July 4, 2012 at the GRIDCo Head Office, Tema
beginning at 10a.m. and at any adjournment thereof.

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

RESOLUTION	FOR	AGAINST
1. To receive and consider the Financial Statements for the year ended December 31, 2011 together with the Reports of the Directors and Auditors thereon		
2. To fix the remuneration of the Board of Directors.		
3. To amend the objects of the Company to include 'the construction or use of the transmission and communication assets of Company for commercial telecommunication services and other related services'.		
4. To convert HIPC Loans and Sovereign Bonds granted to the Company by the Government into equity capital.		

Signed thisday of July, 2012

Shareholder's Signature.....

NATIONAL INTERCONNECTED TRANSMISSION SYSTEM OF GHANA

