

GHANA GRID COMPANY LIMITED
ANNUAL REPORT
2009



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NOTICE AND AGENDA OF THE 1ST GRIDCo ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN that the 1st Annual Meeting of the Ghana Grid Company Limited, GRIDCo, will be held at Mplaza Hotel, Accra on Tuesday, November 30, 2010 at 10.00a.m. to transact the following business:

1. To receive and consider the Financial Statement for the year ended December 31, 2009 together with the Reports of the Directors and Auditors thereon.
2. To fix remuneration of the Directors.
3. To authorize Directors to determine the remuneration of Auditors.

Dated in Accra this 8th Day of November, 2010.

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 Accounts. 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.

BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

DIRECTORS (AS AT SEPTEMBER 2009)

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

AUDITORS

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

BOARD SECRETARY

Monica Nana Ama Senanu (Mrs.)

REGISTERED OFFICE

Ghana Grid Company Limited
P. O. Box CS 7979
Tema
Ghana
Tel: 0303 304 818
Fax:0303 303 27
E-Mail:gridco@gridcogh.com
Website:www.gridcogh.com

PROFILE OF BOARD MEMBERS



Mr. Emmanuel Appiah Korang - Chairman

Mr. Emmanuel Appiah Korang is the Chairman of the Board and an Energy and Management Consultant. He is currently the Managing Director of Trelidor Ghana Ltd., a security and barrier company. He was a former PNDC Secretary for Energy. He has worked with the Ghana National Petroleum Corporation, Management Development and Productivity Institute and the Tema Oil Refinery.

Mr. Appiah Korang holds a Bachelor of Science and a Master of Science in Mechanical Engineering from the University of Illinois, USA.



Mr. Charles A. Darku – Member / Chief Executive

Mr. Charles A. Darku is the Chief Executive of GRIDCo. Prior to his present position, Mr. Darku served as Director, System Operations in GRIDCo. He has worked with the Volta River Authority (VRA) for over twenty-seven (27) years after graduation. Mr. Darku held several senior management positions in the VRA, including, Director, Power Sales, Director, Management Information Systems (MIS); Director, New Business Ventures, Staff Director in the Office of the Deputy Chief Executive (Engineering & Operations), and Director, Engineering Planning & Development.

Mr. Darku holds a Bachelor of Science (Honours) degree in Electrical Engineering from the Kwame Nkrumah University of Science and Technology (KNUST) and a Master's degree in Public Administration from Harvard University, USA. Mr. Darku is a Fellow of the Ghana Institution of Engineers.



Mr. Kwasi Adu - Member

Mr. Kwasi Adu is a Human Resource and Management Consultant with experience in Public and Private Sector Management.

He holds a Bachelor of Arts Degree in Political Science and Linguistics from the University of Ghana, Legon and a Post Graduate Diploma in Business and Public Sector Strategy from Kingston University, U.K.



Ms. Dzifa Amegashie – Member

Ms. Dzifa Amegashie is a Project Finance Expert. Currently, she heads the Corporate and Investor Relations Department of CAL Bank, Ghana.

She holds an MBA (Entrepreneurship) from the Imperial College of Science and Technology, University of London, U.K. and a B.Sc. (Economics) from the London School of Economics, University of London, U.K.



Dr. Thomas Wobil Ansah - Member

Dr. Thomas Wobil Ansah is an Energy Economist who worked with the Volta River Authority, Avalanche Energy and the Energy Commission. He also lectured at the Cape Coast Polytechnic.

Dr. Ansah holds a PhD in Energy Management & Policy and M.Sc. degrees from the University of Pennsylvania, Philadelphia, U.S.A. He graduated from the University of Science and Technology with a B.Sc. Degree in Electrical Engineering.



Ms. Johanna Kuukua Awotwi - Member

Ms. Johanna Kuukua Awotwi is a legal practitioner by profession and the Deputy Superintendent of Immigration at the Ghana Immigration Service. Ms. Awotwi is also a lecturer at the Ghana Immigration Service Academy and Training School.

Ms Awotwi holds a Bachelor of Laws (LLB) from the University of Ghana, Legon and a Qualified Certificate in Law from the Ghana School of Law. She is a member of the Ghana Bar Association.



Mr. Agbesi Kwadzo Dzakpasu - Member

Mr. Agbesi Kwadzo Dzakpasu is a legal practitioner by profession and is a partner of Lexkudoz, a Legal Firm and Notary Public.

He holds a Master degree in Law (Banking and Finance) from the London School of Economics, U.K., a Bachelor of Law (LLB) from the Law Faculty, University of Ghana and a Qualified Certificate in Law from the Ghana School of Law. He is a member of the Ghana Bar Association.



Mr. Adam Munkaila – Member

Mr. Adam Munkaila is a Road Contractor and is currently the Executive Director of Suabira Company Limited. He is a member of the Ambariya Islamic Institute and Chairman of the Infrastructure Committee. He is also the Financial Secretary and a National Executive Member of the Association of Road Contractors, Ghana.

He holds a Diploma in Project Management and Evaluation from the Academic College of London, U.K. (1996). He is a product of Tamale Secondary School.

PROFILE OF MANAGEMENT TEAM



Mr. Charles A. Darku - Chief Executive

Mr. Charles A. Darku is an experienced engineer who worked with the Volta River Authority (VRA) for over twenty- seven (27) years. Prior to his present position, Mr. Darku served as Director, System Operations in GRIDCo. Mr. Darku held several senior management positions in VRA, including, Director, Management Information System (MIS); Director, New Business Ventures, Staff Director in the Office of the Deputy Chief Executive (Engineering & Operations), and Director, Engineering Planning & Development.

Mr. Darku holds a Bachelor of Science degree in Electrical Engineering from the Kwame Nkrumah University of Science and Technology (KNUST) and a Master's degree in Public Administration from Harvard University, USA. Mr. Darku is a Fellow of the Ghana Institute of Engineers.



Mr. Suraj Omoru Amadu – Director, Power Network Operations

Mr. Suraju Omoru Amadu has worked as an engineer for over twenty- seven (27) years. Prior to his current position at GRIDCo, Mr. Amadu held several senior positions at the Volta River Authority. These included Director, Transmission Systems, Director Materials Management and Director, Northern Electricity Department (NED).

Mr. Amadu is a Fellow of the Ghana Institution of Engineers and holds a B.Sc. Electrical Engineering degree from Kwame Nkrumah University of Science and Technology.



Mr. Norbert Cormla - Djamposu Anku- Acting Director, Engineering

Mr. Norbert Cormla - Djamposu Anku has over twenty-seven (27) years of practical engineering experience. He worked in various capacities at VRA. In VRA, he was Head, Transmission Planning Unit and Senior Manager, Design Services Unit among others. He holds a B.Sc. Electrical and Electronic Engineering from the Kwame Nkrumah University of Science and Technology and a Masters degree in Public Policy and Management from Harvard University, USA.

He is a Fellow of the Ghana Institution of Engineers and a Member of the Institute of Electrical and Electronic Engineers Inc. (IEEE), USA.



Mr. Eric Asare- Acting Director, System Operations

Mr. Eric Asare has over twenty- seven (27) years of experience as an engineer. He is experienced in the operation and dispatch of power systems and the development and maintenance of Supervisory Control and Data Acquisition and Energy Management Systems (SCADA/EMS). Prior to his appointment, he was the Senior Manager, System Operations. He has also been involved in the activities of the West African Power Pool (WAPP). Mr. Asare graduated from the Kwame Nkrumah University of Science & Technology with a Bachelor of Science (Honours) Degree in Electrical and Electronic Engineering.

Mr. Asare is a Fellow of the Ghana Institution of Engineers and a Member of the Institute of Electrical and Electronic Engineers (IEEE), USA.



Mr. Isaac Kwame Akesseh- Acting Director, Finance

Mr. Isaac Akesseh is a Chartered Accountant who has over nineteen (19) years of experience in Accounting, Taxation and Financial Management. Prior to his present position, Mr. Akesseh acted as the Chief Accountant of VRA. He has also worked with the National Revenue Secretariat of the Ministry of Finance.

Mr. Akesseh holds a B.Sc. Administration (Accounting option) Degree from the University of Ghana.

He also has an Executive Masters degree in Business Administration (Finance) from the University of Ghana, Legon. He is a member of the Institute of Chartered Accountants (Ghana).



Ms. Sakeena K. Bonsu - Acting Director, Human Resource and Services

Prior to her appointment at GRIDCo, Ms. Sakeena K. Bonsu worked as a Human Resource Manager at the Volta River Authority. Before joining VRA, she worked with the Public Services Commission and the Western Regional Administration. She holds a BSc in Business Administration from the State University of New York, USA and an MSc in Human Resource Development from the University of Manchester, UK. Ms. Bonsu also holds a post graduate diploma in Public Administration from GIMPA. Ms. Bonsu is a Member of the Ghana Institute of Management.



Mr. Kofi Okofo Dartey- Head, Internal Audit

Mr. Kofi Okofo Dartey has vast experience in Internal Auditing which spans over eighteen (18) years. He has worked with National Industrial Company Limited, Internal Revenue Service, Oando (Unipetrol) Ghana Limited and Volta River Authority. He holds a Bachelor of Commerce (B.Com) Degree and a Diploma in Education (Dip Ed.) from the University of Cape Coast. He also has an Executive Masters Degree in Business Administration (Finance) from the University of Ghana.

Mr. Okofo Dartey is a Member of Institute of Chartered Accountants (Ghana) and the Institute of Internal Auditors (IIA) Ghana and Florida.

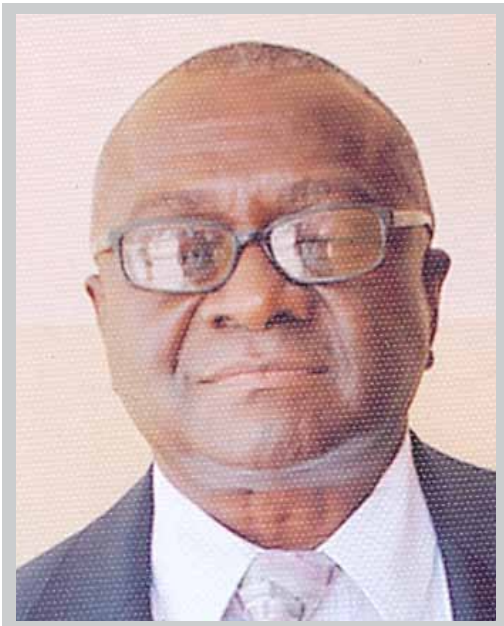


Mrs. Monica Nana Ama Senanu - Head, Legal Services and Board Secretary

Mrs. Monica Senanu is a corporate lawyer and has over fourteen (14) years of experience. She has worked with VRA and Sam Okudzeto and Associates. Mrs. Senanu worked as a Board Secretary for the Takoradi International Company Limited and Volta Hotel Limited. She holds a Bachelor of Law degree (LLB) from the University of Ghana, Legon and a Qualified Certificate in Law from the Ghana School of Law. She has an Executive Masters degree in Business Administration (Project Management) from the University of Ghana, Legon.

She is a member of the Chartered Institute of Arbitrators (UK) and the Ghana Bar Association

CHAIRMAN'S STATEMENT



INTRODUCTION

Our corporate strategy in 2009 was based on Ghana Government policy objectives for the development of the power sector to support its economic development agenda which include the following:

- Power Sector Reform
- Development of infrastructure to efficiently generate, transmit and distribute 5,000 MW of power by 2015 to support identified demand.
- Achieve access to electricity by 85% of the Ghanaian population to support socioeconomic development, and
- Development of local capability to enable Ghanaian companies to play an increasing role in the development of Power Sector infrastructure facilities.

SHORT/ MEDIUM TERM MEASURES

Our corporate strategy for 2009 was directed at deepening the operationalization of the Ghana Grid Company Limited in order to achieve the objectives of the Power Sector Reforms, stabilizing the transmission network and improving the company's operational efficiency. This was with the view to transmitting power in a reliable and safe manner for socio-economic development. Ultimately, the company wants to

position itself strategically so as to be ready to transmit all the 5,000MW of generation capacity Government has planned for Ghana to attain by 2015.

GRIDCo is also being guided by Government's policy objective of ensuring that at least 85 percent of the populations across the country have access to electricity.

In order to pursue this corporate agenda, the company developed a Five Year Capital Investment Programme during the year specifically to modernize the network and expand the infrastructure to keep up with growth in demand. This will be rolled out in 2010.

The strategic focus for this programme is four fold:-

- (i) modernize the National Interconnected Transmission System(NITS),
- (ii) expand the network and provide redundancy within the network,
- (iii) support Government and private sector efforts to make available adequate generation within the short to medium term in order to address the current tight reserve margin, and
- (iv) develop a number of strategic high voltage transmission interconnections with neighboring countries.

Additionally, we are developing a Transmission System Master Plan that will determine the transmission infrastructure needed for reliable evacuation of power to all load centres over the ten year period 2010-2020. The master plan will also prioritize the expansion plans. Among others, it will determine the reactive power compensation requirements for efficient operation of the power system and detail the type of compensators to be used based on technical, operational and economic considerations.

DEVELOPMENT OF LOCAL CONTENT

There is no doubt that stakeholders look up to the company to provide reliable and quality service and also serve as a catalyst for growing businesses and creating jobs. Against this background, GRIDCo will ensure that its development plans

conform to that of the national economy as a whole. Local content in the development of power sector infrastructure would be improved. Opportunities that enhance the use of such infrastructure would also be created. As we pursue our investment agenda, we will continue to review our expansion programmes to achieve operational efficiency and Government policy objectives for the sector.

REGIONAL COOPERATION

Within the context of sub-regional cooperation, GRIDCo continued to support the West African Power Pool (WAPP) and was honoured to co-host and participate in the 4th Session of the WAPP General Assembly held in October 2009 in Accra to consider among others, the Ghana-Burkina Faso- Mali Transmission Line Interconnection Project. The company chaired the Engineering and Operation Technical Committee Meeting which served as a prelude to the General Assembly Session. We intend to position ourselves to spearhead the WAPP drive to establish an inter-connected transmission system and a sub-regional electricity market.

OPERATIONAL ISSUES

The power system experienced a number of challenges during the year due to the weaknesses in a predominantly over-aged network. Through an aggressive modernization program, the weaknesses in the network are being addressed as are the logistics and resources for our operations.

GRIDCo's strategy to upgrade all single-transformer substations across the system is on track. In this regard, various substation improvement works took place at Asiekpe and Ho that included the installation of an additional transformer and associated feeders at the substations in order to meet increased demand to various communities and also improve upon power reliability in the area. This project has substantially been completed and scheduled to be energized in 2010 to enable communities in the Ho municipality and its environs enjoy reliable power supply.

Some of the key achievements for the period were the completion of the Kumasi-Obuasi Transmission Line Reinforcement Project which was funded by the Government of Ghana at a cost of US\$6,677,907.26 plus GHC1,246,810. The completion of the project apart from providing an alternate high capacity transmission route also increased the power transfer capacity between Obuasi and Kumasi and addressed the increasing demand for power within the Kumasi Metropolis and the North. This project further enhanced system reliability, improved voltage levels at substations around Kumasi and helped reduce system losses.

Another important area was the injection of a stock of vehicles, computers and other critical operational equipment which were distributed to all the operational Areas and locations. The company was also able to complete works on a new Corporate Head Office building to house Management and support staff even though it continued to operate some services from rented facilities.

Matched against our financial performance for 2008, the year under review was a modest improvement. Our income from energy transmitted and wheeled was GH¢80.78 million as against GH¢74.7 million the previous year while direct costs shot up to GH¢59.83 million as against GH¢47.02 million. The gross profit for the period was GH¢20.9 million. In 2008, the gross profit stood at GH¢27.79 million. General administrative expenses stood at GH¢26.15 million while the net loss was GH¢6.86 million.

The comparative figures for general administrative expenses and the loss in 2008 were GH¢45.58 million and GH¢17.50 million respectively. Our total assets grew to GH¢488.5 million as against GH¢400.6 million in 2008.

The number of employees in the company at the close of the year was 682, up by 50 employees from the level at the close of 2008. The increase was from staff transfers from Volta River Authority and direct recruitments in critical areas.

The company continued to enjoy a harmonious industrial environment. Management supported staff to form an independent house union and a Senior Staff Association thus, completing the separation of staff matters with the VRA.

In line with Management's policy to develop and equip all staff to meet the challenges of the evolving business environment and positively impact on productivity, we carefully selected both local and offshore training programmes to enable employees perform efficiently in their various functions in GRIDCo. Thirty seven employees participated in overseas courses while 240 others attended various training programmes locally.

CORPORATE SOCIAL RESPONSIBILITY

The company continued and demonstrated its commitment to making an impact on the general Ghanaian society through support for education, research and health. We made various monetary donations to a number of institutions, including the Ghana Heart Foundation, the Ghana Institution of Engineers, and assistance for the training of medical students of the Kwame Nkrumah University of Science and Technology.

CONCLUSION

GRIDCo achieved modest progress during the period in spite of the challenges we experienced on the network. In the ensuing years, we will build on our strength and work to consistently create a very dynamic institution that will continuously make reliable and quality transmission of power its hallmark. Ultimately we want to bring satisfaction to all electricity consumers and give personal and professional fulfillment to our staff across the country. This can only be achieved through effective collaboration with VRA and ECG in the achievement of the power sector policy objectives of Government.

On behalf of the Board, we thank employees and management for their outstanding loyalty and the sacrifices they made over the year. Finally, let me take this opportunity to also thank the Government and all our stakeholders especially VRA and ECG for their goodwill and strong support to us in our second year as a company.

We look forward to an improved performance in 2010.

CORPORATE GOVERNANCE

Ghana Grid Company Limited (GRIDCo), an Electricity Transmission Utility continues to develop policies that will ensure good governance and improve existing standards. GRIDCo believes that good Corporate Governance practices would ensure efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its Vision of becoming a top of the class worldwide utility company.

In order to meet the expectations of its shareholder and in accordance with Section 180 of the Company's Act 1963 (Act 179), a Board of Directors has been constituted to oversee the management of the Company. The Board, which has the primary responsibility for ensuring effective governance, works through a number of Committees. These are the Finance and Audit Committee, the Engineering and Operations Committee, the Compensation and Industrial Relations Committee and the Market Operations Oversight Adhoc Committee. These Committees provide advice and guidance to Management on the key strategic directions and issues which confront the company.

THE FINANCE AND AUDIT COMMITTEE

This Committee ensures that the Company is operating on sound and viable commercial and financial lines and it also monitors the activities of the company's financial reporting system. The Committee periodically reviews the financial reports and Accounts of the Company and 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.

THE COMPENSATION AND INDUSTRIAL RELATIONS COMMITTEE

This Committee considers the compensation-related issues for the Management and Staff of GRIDCo. GRIDCo aims to recruit and retain qualified and experienced employees who will help to achieve high levels of accountability,

efficiency, responsibility and fairness in all areas of our operation.

THE ENGINEERING AND OPERATIONS COMMITTEE

This Committee on the other hand ensures that GRIDCo stays focused in the achievement of its primary mandate of electricity transmission and that a comprehensive and adequate Transmission Master Plan is available and updated regularly. The Committee also advises on whether proposed works are consistent with the Master Plan.

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.

LEGAL AND REGULATORY FRAMEWORK

GRIDCo strives to stay within its legal and regulatory framework with respect to its operations since legal compliance is essential in our quest to attain high standards. A system of checks and balances has been designed to ensure that corporate managers are kept vigilant on behalf of the shareholder. We continuously monitor all proposed new rules and modify our policies and practices to meet any additional requirements.

INTERNAL CONTROLS

The Company has a system of management which ensures effective and proper utilization of resources in the best interest of stakeholders. The company has well-defined policies and procedures which guarantee accountability. An Internal Audit Department monitors the integrity and objectivity of financial records and provides reasonable assurance that transactions are authorized and properly recorded.

GRIDCo, West Africa's guiding light

As the backbone for power delivery to every corner of Ghana, GRIDCo is an energy reform pioneer and unparalleled leader in its field. Despite being established just four years ago, GRIDCo already enjoys a proud reputation as one of West Africa's most dynamic energy organizations and the fastgrowing power provider it rapidly extending its reach across the vast region. The ambitious water sector drive, which is being fueled by massive investment in the latest technology, high quality equipment and skilled staff, is enabling GRIDCo to position itself at the heart of the emerging West African power market.

The GRIDCo logo is located in the top right corner of the advertisement. It features a circular icon with a red, green, and blue gradient, followed by the text "GRIDCo" in a bold, white, sans-serif font.

CHIEF EXECUTIVE'S STATEMENT



INTRODUCTION

The mark of an effective strategy and the test of the talent of staff is whether they carry on delivering the quality results in conditions of uncertainty. So while 2009 was a challenging year, given the transition arrangements with VRA, the operationalization of GRIDCo and perennial resource shortages of the recent past in VRA, the results attained in the course of the year for our shareholder showed that despite the difficulties, GRIDCo ended the year on a positive note.

Our main focus in 2009, therefore, was to stabilize the over-aged national grid to enable us deliver better services to all customers. We also brought together our skills and talents in innovative ways, so as to consolidate and deepen the operationalization of the company as a viable business enterprise.

Management visited all the work area locations with the view to forging a new partnership with staff, championing a shared vision for GRIDCo, as well as finding solutions to staff needs, and last but not the least, moving the company forward into the future.

OPERATIONS

There are enormous opportunities in the power sector for high load growth over the medium term following on-going efforts to increase access to electricity within Ghana and the performance of the Ghanaian economy. This has led to a

number of new project developments in the generation sector. These include development of Independent Power Plants (IPPs) including the 200 MW Phase 1 Sunon Asogli Power Ltd., the 340 MW Cen Power Plant, the 126 MW Tema Osono Power Plant and additional Government-sponsored power plants such as the 400MW Bui Hydro-electric Power Plant. With the country set to emerge as a producer of crude oil, we expect to see an increase in energy demand.

We also see the West African Power Pool, necessitating the strengthening and extension of transmission infrastructure across the sub-region and the emergence of a vibrant sub-regional Wholesale Electricity Market. This made it imperative that we move on to gain more appreciation and understanding of new market structures and develop relevant market rules, and financial settlements for the emerging competitive environment.

To be ready for these emerging opportunities, GRIDCo developed a Five Year Capital Investment Programme which we will roll out in 2010 with the view to modernizing the network and expanding the transmission system to provide the much needed redundancy. Ultimately we are aiming to have a network capable of transmitting more than the 5000MW generation availability targeted by the Government for 2015.

We have also commissioned a Transmission System Master Plan Study that will analyse and recommend transmission infrastructure, additions and expansions over the next decade to adequately and reliably transmit electricity. This includes the impact on transmission infrastructure of the expected oil economy and set the investment priorities for the network. We expect this study to be completed by year end 2010.

We worked with the Energy Commission to develop and launch the National Electricity Grid Code during the year, and have commenced preparations of the Market Rules to guide the operation of the Wholesale Electricity Market.

Over the period, we transmitted 8,784.067 GWh of energy across the network, comprising 8,017.455 GWh for domestic consumption and

766.612GWh in exports to Compagnie Ivoirienne du Electricite (CIE), Communauté Electrique du Benin (CEB) and SONABEL. Total transmission losses was 342,465 GWh, averaging 3.75 per cent of generation.

The maximum demand recorded for the year was 1,423 MW and this occurred at 19.30 Hrs on November 16, 2009. Inadvertent exchange during the year netted out to 3484.46 MWh in favour of VRA.

FINANCES

We believe that the key to creating shareholder value is a strong balance sheet with positive cash flows. Management's strategy to achieve this is through revenue growth and operating efficiency, supported by disciplined use of investible capital and prudent working capital management.

GRIDCo achieved a modest improvement in its financial performance, ending the year with a net loss of GHC6.86 million, as compared to GHC17.50 million in 2008. This is displayed in table one below.

FINANCIAL PERFORMANCE

Table 1

Item	Year / Expenditure (GHC million)	
	2008	2009
General Administrative Expenses	45.58	26.15
Income from Energy Transmitted & wheeled	74.7	80.78
Direct Cost	47.02	59.83
Gross Profit	27.79	20.9
Total Assets	400.6	488.5
Net Loss	17.50	6.86

HUMAN RESOURCE

GRIDCo's Accounting, Billing and Human Resource Management Systems (HRMS) are being separated from VRA's in a manner that does not disrupt our operations and responsibilities to staff and other stakeholders. Policies, procedures and other directives are being adapted to reflect our peculiar needs. These have essentially been completed and beginning in the New Year, GRIDCo is expected to take full responsibility for running its payroll and other accounting and financial processes.

INTERNATIONAL RELATIONS

On the international scene, GRIDCo was accepted as the 19th member of the West African Power Pool (WAPP). We also joined the Union of Producers, Conveyors and Distributors of Electric Power in Africa (UPDEA). Our commitment in joining the sub-regional body is to work to integrate the national grid within the WAPP framework and make GRIDCo a leader in the sub-region, while under the auspices of UPDEA new opportunities can be opened up to GRIDCo across the African continent.

STRATEGY AND FUTURE OUTLOOK

GRIDCo is entering a new year and we expect that our application to the PURC for an upward adjustment in the Transmission Service Charge (TSC), will be approved. We will work with our partners in the power utilities to go to the public and explain the need for public acceptance of the tariff adjustment to enable quality service delivery and efficiency improvements.

We will also work with our partners in the power utilities to engage the PURC and all stakeholders and explain the projects we have lined up to implement under the Five-Year Capital Investment Programme.

APPRECIATION AND CONCLUSION

Let me pay tribute to my predecessor Mr. Joe Wiafe, who nurtured the very early stages of GRIDCo's existence and held us together against all odds. I would like to thank him for his commitment, energy and vision.

Our strategy and performance has made us ready for a bright and positive future from 2010 and beyond. This is a reflection of the many collective and individual contributions from members of the Board, the Management and indeed all staff. Our collective ambitions, skills and capabilities came to play in a peaceful and harmonious work environment.

A heartfelt Thank You to all of you as we focus to 2010 and aim at realizing the tremendous future GRIDCo has in store for years to come.

COMPANY PROFILE

BACKGROUND

The establishment of GRIDCo is in accordance with the Energy Commission Act, 1997 (Act 541) and the Volta River Development (Amendment) Act, 2005 Act 692, which provides for the establishment and exclusive operation of the National Interconnected Transmission System by an independent Utility and the separation of the transmission functions of the Volta River Authority (VRA) from its other activities within the framework of the Power Sector Reforms.

GRIDCo was incorporated on December 15, 2006 as a private limited liability company under the Companies Code, 1963, Act 179 and granted a certificate to commence business on the December 18, 2006. The company became operational on August 1, 2008 following the transfer of the core staff and power transmission assets from VRA to GRIDCo.

FUNCTIONS

GRIDCo's main functions are to:

1. undertake economic dispatch and transmission of electricity from wholesale suppliers (generating companies) to bulk customers, which include ECG, NED and the mines;
2. provide fair and non-discriminatory transmission services to all power market participants;
3. acquire, own and manage assets, facilities and systems required to transmit electrical energy;
4. provide metering and billing services to bulk customers;
5. carry out transmission system planning and implement necessary investments to provide the capacity to reliably transmit electric energy; and
6. manage the Wholesale Power Market.

The establishment of GRIDCo is intended to develop and promote competition in Ghana's Wholesale Electricity Market by providing transparent, non-discriminatory and open access to the transmission grid for all the participants in the Power Market (particularly, power generators and bulk consumers). This would bring about efficiency in power delivery.

VISION STATEMENT

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

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.

OUR VALUES

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

OWNERSHIP AND SHAREHOLDING STRUCTURE

GRIDCo is wholly-owned by the Government of Ghana. The company is governed by an eight-member Board of Directors.

ASSETS

The main assets of GRIDCo comprise the following:

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

MODE OF POWER TRANSMISSION

GRIDCo owns and operates over 4,000 km of 330 kilovolts (kV), 225kV, 161 kilovolts (kV) transmission lines across the country. These lines carry power from various generating stations to forty three (43) transformer substations. At these substations, the power is stepped down to lower voltages including 34.5 kV, and 11 kV for the major bulk customers and the distribution companies namely; Electricity Company of Ghana (ECG) and Northern Electricity Department (NED).

CUSTOMERS

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

GRIDCO is, therefore, entering into Transmission Services Agreements and Connection Agreements with the Bulk Customers and Distribution Entities to provide transmission services.

GRIDCO AREA OPERATIONS

The management of the Transmission Network was initially divided into five (5) operational Areas to facilitate efficient power transmission nationwide.

In 2010, the Power Network Department will be divided into the Southern Network Services Department and Northern Network Services Department to accommodate the expanding scope of work. The Head Offices of the above-mentioned departments will be in Tema and Kumasi, respectively.

Additionally, a new Area will be added to each of the two newly created Departments.

A) Southern Network Services Department

1. Volta Area; responsible for the Volta, New Tema, Smelter, Achimota, Winneba

and Mallam substations.

2. Takoradi Area; responsible for the Takoradi, CapeCoast, Esiama, Aboadze,* Elubo, and kyempem substations.
3. Akosombo Area; responsible for the Akosombo,* Akwatia, Kpandu, Ho, Aflao, Asiekpe, Sogakope, Kpeve, Tafo, Kpong* and Old Kpong substations.
4. Prestea Area; responsible for the Prestea 225, Prestea 161, New Tarkwa, Akyempim and Bogosu substations.

B) Northern Network Services Department

1. Kumasi Area; responsible for the Kumasi, Konongo, Nkawkaw, Kenyase, Obuasi, New Obuasi, Asawinso, and Dunkwa substations.
2. Tamale Area; responsible for the Tamale,, Zebilla, Bolga, Sawla and Yendi substations.
3. Techiman Area; responsible for the Techiman, Kintampo, Mim, Sunyani, Beekum and Sawla substations.

* Generating stations switchyards



THE VOLTA SUBSTATION EXPANSION PROJECT IN PROGRESS

POWER NETWORK OPERATIONS

GENERAL OVERVIEW

In 2009, Ghana Grid Company Limited (GRIDCo) worked to complete its transitional arrangements with the Volta River Authority (VRA) and to consolidate its structures in order to improve efficiency in service delivery.

Thus, GRIDCo agreed with the VRA to have all transmission projects transferred to her in a phased manner to minimize any disruption to the company's operations. Importantly, projects for which bids were yet to be called were also to be transferred to GRIDCo. Additionally, the VRA was to continue to manage projects due for commissioning, following which they will be formally handed over to GRIDCo. This arrangement was to allow adequate time to resolve any contractual issues that may surface before the end of the transitional period.

The company also worked to modernize and expand the transmission network and enhance the operational reliability of the National

Interconnected Transmission System through the commencement of various projects.

ELECTRICITY CONSUMPTION

The total energy transmitted during the year was 8,784.067 GWh. This was made up of 8,017.455 of 8,017.455 GWh transmitted for domestic consumption and 766.612GWh in exports to Compagnie Ivorienne du Electricite (CIE), Communauté Electrique du Benin (CEB), SONABEL and the Burkina Faso Mining Company, at the Youga Mines. Total transmission losses was 342,465 GWh, averaging 3.75 per cent of net generation.

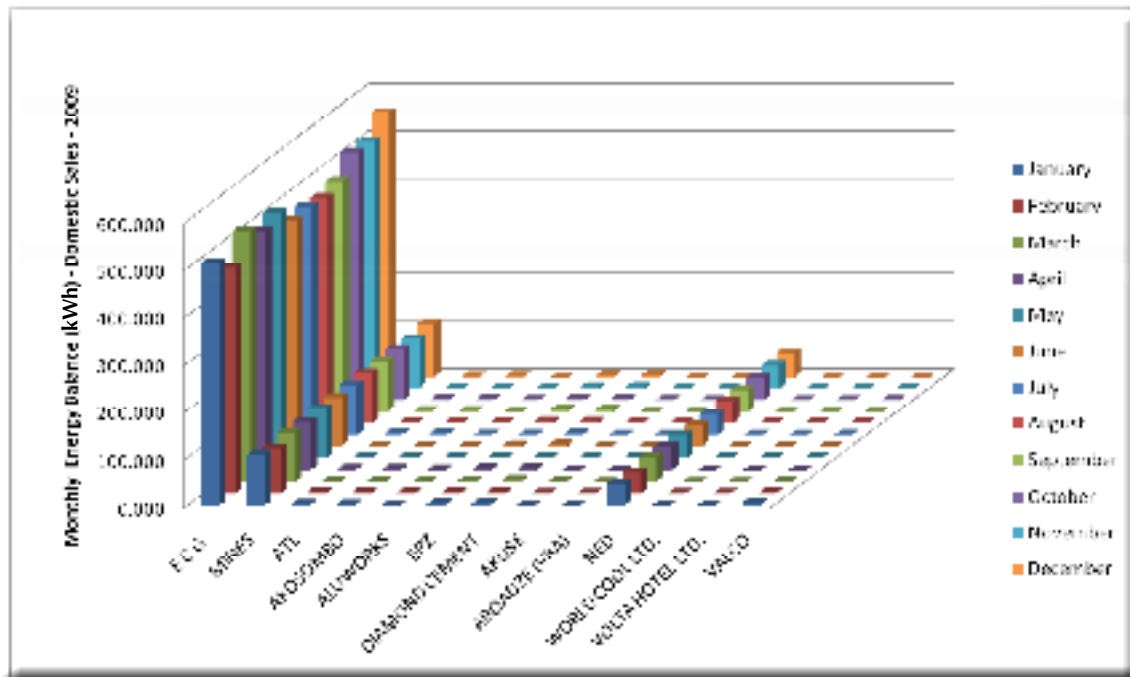
The maximum demand was 1,423 MW which occurred at 19.30 Hrs on November 16, 2009. The breakdown for this was 1264 MW from the domestic load, 120 MW from export. Inadvertent exchange during the year netted out to 3484.46 MWh in favour of VRA. The maximum demand for 2009 compared favourably with the 1422 MW experienced in 2008.

MONTHLY ENERGY CONSUMPTION (GWh) BY CUSTOMERS 2009

Table 2

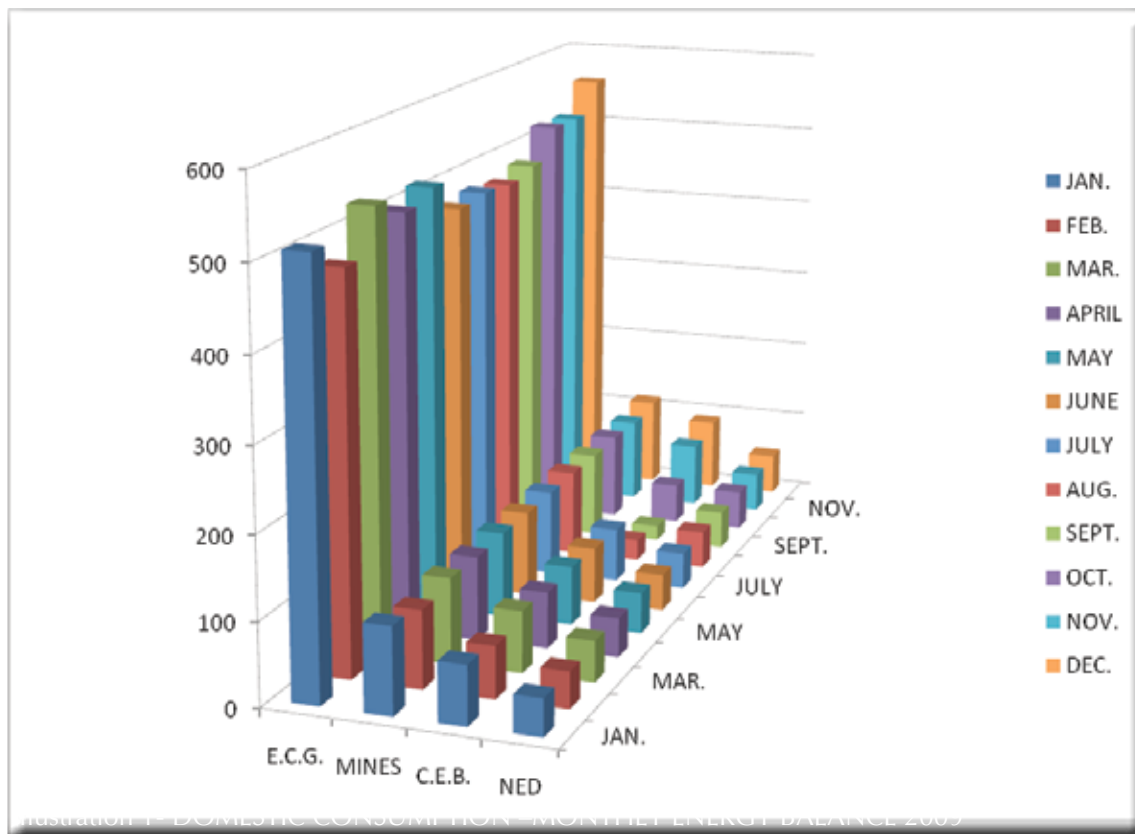
	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT.	OCT.
VALCO	5.11	0.51	0.53	0.49	0.52	0.45	0.49	0.46	0.46	0.47
E.C.G.	511.20	476.07	528.40	504.46	518.08	476.64	480.81	475.00	484.81	520.90
MINES	104.65	94.23	103.48	101.72	104.27	103.98	104.92	106.10	105.78	106.94
EPZ	2.82	2.40	2.62	2.08	2.16	2.57	0.73	3.91	3.24	2.89
C.E.B.	71.79	63.10	74.63	68.45	71.92	68.22	66.10	25.71	18.69	49.14
DIAMOND CEMENT	3.19	3.85	3.52	3.89	3.91	3.89	3.50	4.15	3.83	3.69
A.T.L.	2.45	2.25	2.06	1.90	1.91	2.08	1.99	2.21	1.86	2.39
ALUWORKS	0.92	0.82	0.80	0.59	0.62	0.62	0.80	0.54	0.28	0.46
AK'BO. TOWN	1.88	1.83	1.78	1.84	1.91	1.73	1.70	1.72	1.72	1.85
VRA AKUSE	0.33	0.32	0.37	0.32	0.35	0.32	0.31	0.30	0.31	0.34
ABOAZE (VRA)	0.17	0.16	0.19	0.17	0.19	0.17	0.16	0.15	0.15	0.17
NED	45.02	44.38	49.87	47.47	49.47	44.52	44.48	45.92	46.18	48.57
SONABEL	0.33	0.38	0.45	0.44	0.44	0.40	0.38	0.38	0.40	0.41
SONABEL (YUGA MINES)	-	-	-	-	-	-	-	-	0.18	3.02
WORLD COOL LTD	0.10	0.11	0.11	0.09	0.13	0.14	0.12	0.13	0.10	0.10
VOLTA HOTEL LTD	0.07	0.06	0.07	0.07	0.08	0.06	0.06	0.07	0.06	0.07
TV 3	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
VODAFONE (NCBC)	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
S. ASOGLI PLANT	-	-	-	-	-	-	-	-	0.01	0.06
TOTAL	750.02	690.47	768.89	733.99	755.98	705.78	706.55	666.75	668.06	741.48

MONTHLY ENERGY TRANSMITTED FOR DOMESTIC CONSUMPTION (kWh) 2009 ILLUSTRATION 1



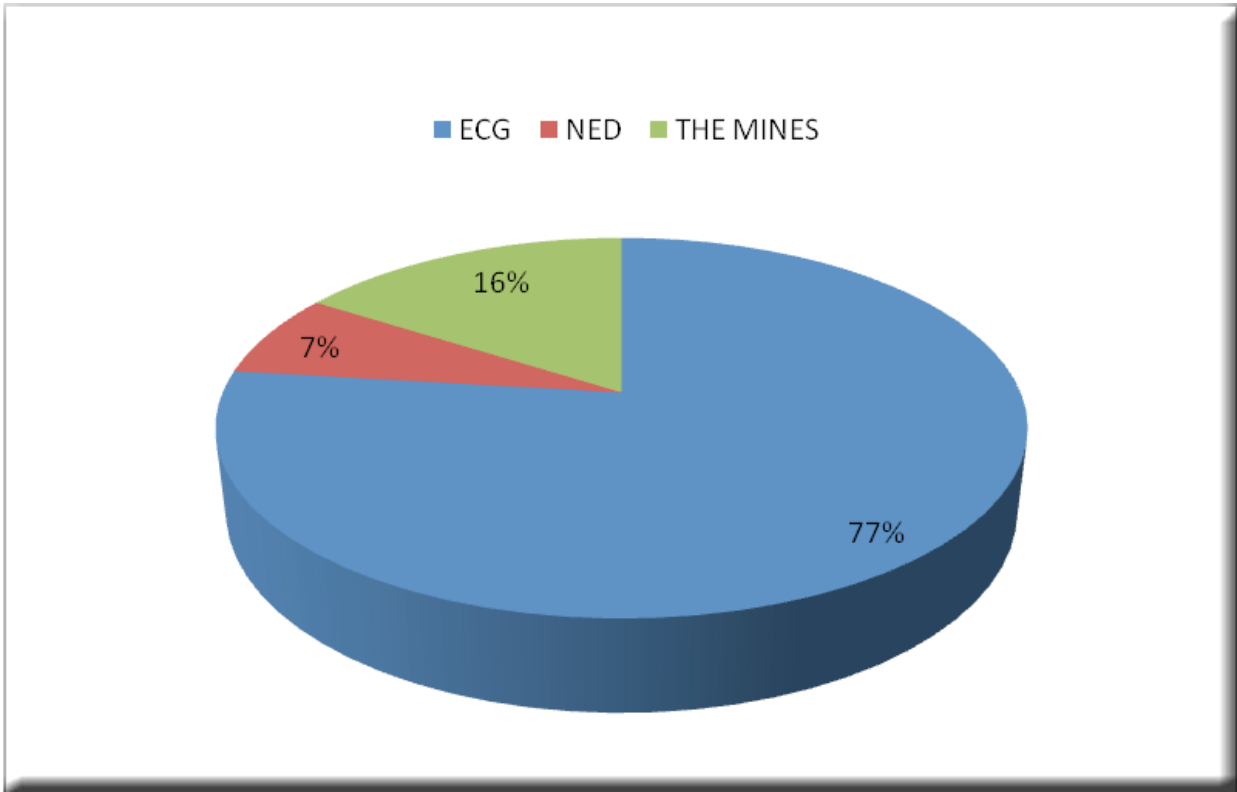
MONTHLY ENERGY TRANSMITTED TO KEY CUSTOMERS (GWh) 2009

ILLUSTRATION 2



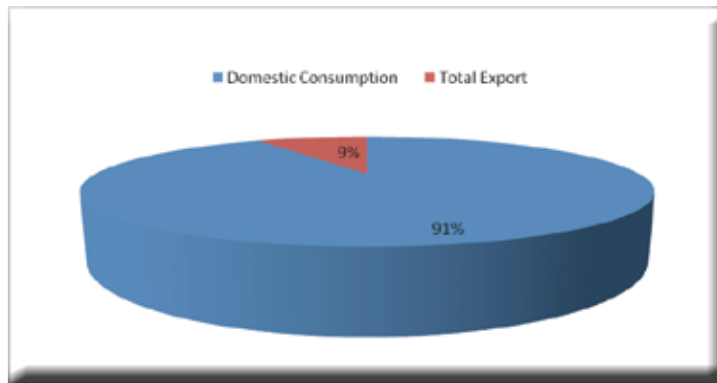
TOTAL ENERGY TRANSMITTED TO KEY DOMESTIC CUSTOMERS(GWh) 2009

ILLUSTRATION 3



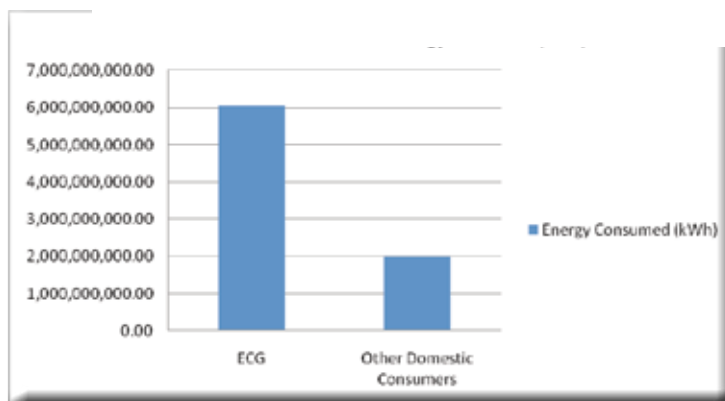
TOTAL ENERGY TRANSMITTED TO KEY DOMESTIC AND EXPORT CUSTOMERS(GWh) 2009

ILLUSTRATION 4



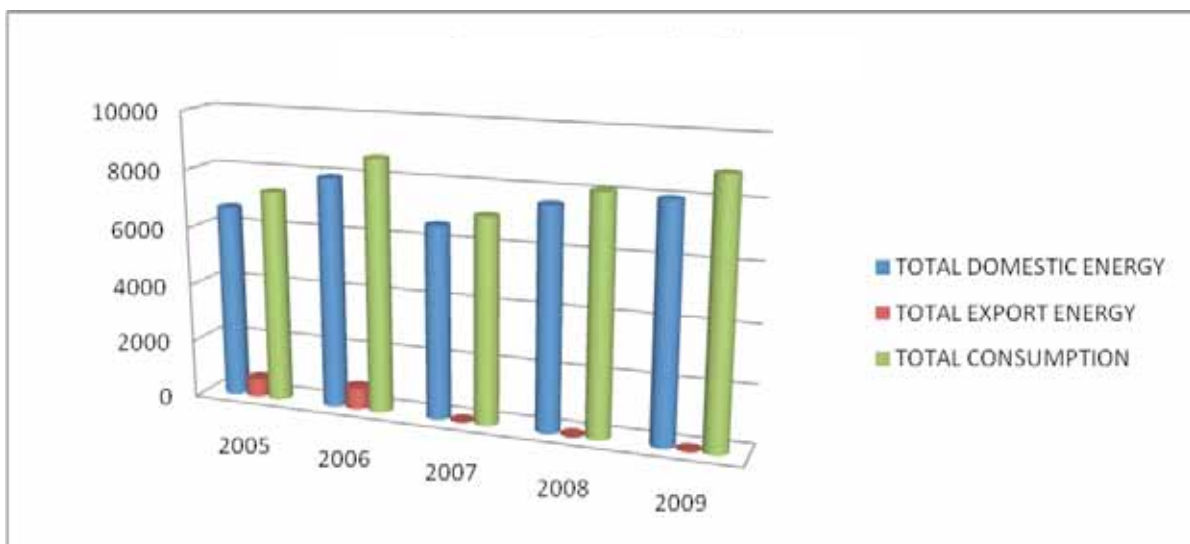
TOTAL ENERGY TRANSMITTED TO ECG AND OTHER DOMESTIC CONSUMERS (kWh) 2009

ILLUSTRATION 5



TOTAL ENERGY TRANSMITTED FOR DOMESTIC AND EXPORT CONSUMPTION (GWh) 2005-2009 Table 3

	2005	2006	2007	2008	2009
TOTAL DOMESTIC ENERGY	6670.492	7935.076	6612.636	7575.779	8015.353
TOTAL EXPORT ENERGY	635.055	750.999	7.028	1.711	5.029
TOTAL CONSUMPTION	7309.050	8689.549	7048.389	8109.511	8916.924

TOTAL ENERGY TRANSMITTED FOR DOMESTIC AND EXPORT CONSUMPTION (GWh) 2005-2009 ILLUSTRATION 6

SYSTEM OPERATIONS AND MAINTENANCE

SYSTEM MAINTENANCE

The National Interconnected Transmission System (NITS) consists of various lengths of 69kV, 161kV and 225kV transmission lines across the country and these performed favourably during the year under review. The average transmission line availability was 98.97%. Routine inspection, maintenance and replacement of equipment were carried out at substations in all the Areas, namely Akosombo, Volta, Kumasi, Takoradi and Tamale.

In Accra, a faulted 25/33MVA Brush transformer at Achimota Substation was replaced with a 50/66MVA, 161/34.5kV Hyundai transformer. At the Kumasi Substation, a 25/33MVA Energoinvest transformer was also replaced with a 25/33MVA Westinghouse Power Transformer.

There was complete overhauling and oil treatment on several transformers at various substations including Prestea, Cape Coast, Bogoso, and New Obuasi Substations. Thermo vision tests were carried out on various substation equipments at all substations and hot spots identified were rectified.

A total of 246 billing meters on various feeders at the substations were recalibrated to confirm their accuracy.

There were also recalibration of billing meters on the Ghana-Northern Togo and Ghana-Burkina Faso interconnection points at Cinkasse and Gwollu respectively. Similarly, billing meters on the Ghana- Cote D'Ivoire interconnection line were re- calibrated at Prestea (Ghana) and Abobo (Cote D'Ivoire).

One hundred and fifty-four (154) feeder protection relays, including relays on capacitor banks, at various substations were recalibrated to ensure accuracy. Aerial and ground inspection of the transmission lines were carried out and defective hardware on the pylons and lines were subsequently replaced. Vegetation management was also carried out on all transmission line sections across the network.

PROJECTS

The following transmission line and substation projects were undertaken during the year:

RELOCATED TARKWA SUBSTATION

This project which was funded by Goldfields Ghana Limited (GGL) at a cost of US\$ 22 million involved the construction of a new 161/34.5KV substation for GRIDCo to replace the existing Tarkwa Substation to enable GGL mine the area for gold. The project also integrated the New Tarkwa Substation into the 161kV system loop. The station has commenced commercial operations.

KUMASI-OBUASI TRANSMISSION LINE REINFORCEMENT PROJECT.

This project was implemented to address the constraints in power evacuation between Kumasi and Obuasi and to meet the increasing demand in the Kumasi metropolis and the north of Kumasi. Funded by the Government at a cost of US\$6,677,907.26 plus GHC1,246,810 , it has provided an alternate high capacity transmission route and improved system reliability, flexibility and stability.

The works involved the construction of approximately 55 kilometres of 161kV transmission lines with two Optical Ground Wire shield wires with modifications of the New Obuasi, Kenyase and Kumasi substations.

SUNON ASOGLI POWER (SAP) PROJECT – INITIAL POWER EVACUATION FACILITIES

GRIDCo in preparedness to evacuate power from the Sunon Asogli Power (SAP) Project undertook the construction of a three kilometre double circuit 161kV transmission line to evacuate power from the SAP's 200MW plant at Kpone, east of Tema, into the national grid.

ZEBILLA SUBSTATION PROJECT

Burkina Mining Company pre-financed this project which involved the upgrading of the Bolgatanga-Bawku line to operate at 161kV up to Zebilla, the development of a 161/34.5 kV substation at Zebilla, and the construction of a 34.5kV line from Zebilla to the mine site at Youga in Burkina Faso. The project is in commercial operation.

BUIPE SUBSTATION PROJECT

Savanna Cement Company Limited is pre-financing the construction of a 161/34.5kV substation at Buipe to break into the Techiman-Tamale 161kV transmission line to supply bulk power to its cement factory and related facilities. The ongoing works will include the provision of new communication and SCADA system at the proposed Buipe substation and upgrade of the SCADA and Communication systems at Techiman and Tamale Substations. The substation would be configured as a ring bus system with three bays for termination of two lines and one power transformer with provisions for creating one additional bay in future for an additional transformer. The Project is expected to be operational by November 2010.

AYANFURI SUBSTATION AND ESSIAMA SUBSTATION EXPANSION

Two mining companies are self-financing these two substation projects. Adamus Mining Company is funding the project at the Essiama substation with the expansion of the 34.5kV feeder system from one to two. The second feeder would serve a 34.5kV mining load for the company. The contract has been awarded and detailed designs and equipment design reviews are in progress.

The Ayanfuri project on the other hand involves the development of a 161/34.5kV substation and associated SCADA and communication facilities at Ayanfuri by breaking into the existing Dunkwa-Asawinso 161kV line to supply power to Central Ashanti Gold mine at Ayanfuri. The Dunkwa substation will also benefit from this works with the upgrading of its protection systems.

SUPPLY OF SPARE POWER TRANSFORMERS

GRIDCo commenced the procurement process for nine (9) transformers of various ratings for substations at various locations.

TRANSMISSION LINES RIGHT-OF-WAY MANAGEMENT

To make vegetation management effective and sustainable, the company commenced bidding processes to outsource the transmission line

right-of-way and access roads bush clearing and maintenance activities to local companies on long term contracts. The objective is to prevent the increasing amount of transmission line outages due to overgrown vegetation and inaccessibility to the line for other maintenance activities. The bids for the contracts which will be packaged into 25 lots were being evaluated and will be awarded in 2010.

MARKET OPERATIONS

During the year under review the Transmission Service Agreement (TSA) was reviewed with the Energy Commission and forwarded to all prospective transmission service customers. The Company also completed the review of the TSA with Electricity Company of Ghana (ECG).

GRIDCo continued to work with the Energy Commission on the preparation of a draft of the Market Rules to govern the operation of the proposed Wholesale Electricity Market.

A proposal to adjust the Transmission Service Charge was submitted to the Public Utilities Regulatory Commission (PURC) on October 30, 2009. Meetings were held with PURC to explain the assumptions made in the submittal.

OUTLOOK FOR 2010

The projected supply scenario for 2010, indicates that the projected total energy to be transmitted across the network, including a transmission loss component of 368GWh, or 3.7 per cent of net generation, for the year is estimated at 10,305 GWh. Of the total estimated energy to be transmitted, 8,927, 8,927 GWh is destined for domestic customers, while 1,005GWh will be transmitted to the export market.

This energy consumption is projected to be supplied from 6,360GWh by hydro generation and 3,945GWh from thermal generation.

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31 December, 2009.

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 49.

	GH¢'000
The balance brought forward on income surplus account at 1 January 2009 was	(13,130)
To which must be added:	
Profit for the year after charging all expenses, depreciation and amortization	(6,858)
Transfer from Capital Surplus	9,016
	(10,972)
	(10,972)
The balance to be carried forward on the income surplus account at 31 December 2009 therefore amounts to	(10,972)

3. In accordance with section 134(5) of the Companies Code 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

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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GHANA GRID COMPANY LIMITED

We have audited the accompanying financial statements of Ghana Grid Company Limited, as at 31 December, 2009, set out on pages 29 to 49 which have been prepared on the basis of the significant accounting policies on page 33 and other explanatory notes on pages 33 to 49.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Code, 1963 (Act 179). 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 company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies Code 1963, (Act 179). The financial statements give a true and fair view of the financial position of the company as at 31 December 2009, 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.

Partners: F.N. Sackey A. Opuni-Ampong J. Ohemeng

Member of Deloitte Touche Tomatsu

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

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**

28th May, 2010

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 GH¢'000	2008 Restated GH¢'000
Revenue	4	80,764	74,703
Direct costs	5	(59,830)	(47,017)
Gross profit		20,934	27,686
Other income	6	1,425	2,002
Administrative expenses	7	(26,146)	(45,581)
Operating profit		(3,787)	(15,893)
Finance costs	8	(3,915)	(1,644)
Finance income	9	844	39
Profit for the year		(6,858)	(17,498)
Taxation	10	-	-
Profit after taxation		(6,858)	(17,498)
Earnings per share	11	(0.69)	(1.75)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2009

	Note	2009 GH¢'000	2008 Restated GH¢'000
Assets			
Non-current assets			
Property, plant & equipment	12	488,471	400,621
Investment	13	781	871
Total non-current assets		489,251	401,492
Current assets			
Inventories	14	5,264	359
Trade and other receivables	15	6,696	19,347
Cash and short-term deposits	16	4,606	2,576
Total current assets		16,566	22,283
Total assets		505,818	423,775
Equity & liabilities			
Equity attributable to equity holders			
Stated capital	17	252,036	1
Income surplus		(10,972)	(13,130)
Capital surplus		150,942	79,942
Amount held towards capital	18	-	249,114
Total equity		392,006	315,927
Non-current liabilities			
Interest-bearing loans and borrowings	19	103,541	82,905
Total non-current liabilities		103,541	82,905
Current liabilities			
Trade and other payables	20	340	59
Other current financial liabilities	19	9,930	24,884
Total current liabilities		10,271	24,942
Total liabilities		113,812	107,848
Total equity and liabilities		505,818	423,774



E. APPIAH KORANG
Board Chairman



CHARLES A. DARKU
Chief Executive

The notes on pages 11 - 27 form an integral part of these accounts

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Stated capital GH¢'000	Amount held towards capital GH¢'000	Income surplus account GH¢'000	Capital surplus GH¢'000	Total GH¢'000
Balance at 1 January 2009	1	249,114	(13,130)	79,942	315,927
Transfer of Inventory from VRA	-	2,921	-	-	2,921
Total recognised income and expense	-	-	(6,858)	-	(6,858)
Transfer from capital surplus	-	-	9,016	(9,016)	-
Transfer from amount held towards capital	252,035	(252,035)	-	-	-
Revaluation surplus	-	-	-	80,016	80,016
Balance at 31 December 2009	252,036	-	(10,972)	150,942	392,006

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER, 2009

	2009	2008
	GH¢'000	Restated GH¢'000
Operating activities		
Operating profit before tax	(6,858)	(17,498)
Adjustment to reconcile profit before tax to net cash flows		
Non-cash:		
Depreciation and impairment of property, plant & equipment	21,454	15,836
Cash recognised in income & expense		2,084
Profit on sale of assets	(4)	(289)
Interest paid	3,915	1,644
Working capital adjustments:		
(Increase) in inventories	(1,984)	(359)
Decrease/(increase) in trade and other receivables	12,651	(19,347)
Increase in trade and other payables	282	59
Net cash used in operating activities	29,456	(17,870)
Investing activities		
Proceeds from sale of assets	12b 4	1,608
Purchase of property, plant and equipment	26 (29,288)	(27,755)
HIPC Relief	-	5,166
Sale/(purchase) of investments	90	(871)
Net cash (used) in investing activities	(29,194)	(21,852)
Financing activities		
Other financial liabilities	26 5,682	43,942
Interest paid	(3,915)	(1,644)
Net cash generated from financing activities	1,767	42,299
Net increase in cash and cash equivalents	2,029	2,576
Cash and cash equivalents at 1 January	2,576	-
Cash and cash equivalents at 31 December	4,606	2,576

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1. Reporting entity

The financial statements of Ghana Grid Company Limited (GRIDCo) for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the directors on May 20, 2010. The Company is incorporated and domiciled in Ghana. The registered office is located at off the Tema-Aflao Road, near Tema Steel Works, P.O. Box CS 7979, Tema.

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 judgement, 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 judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.4 Standards, amendments and interpretations effective in 2009

The Company has adopted the following new standards, amendments and interpretations as at 1 January 2009.

- IFRS 7. Improving disclosures about financial instruments (effective from 1 January 2009)

The following standards, amendments and interpretations to published standards are mandatory for accounting periods

- IFRS 1. First-time Adoption of International Financial Reporting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate;
- IFRS 2. Share-based Payment — Vesting Conditions and Cancellations;
- IAS 27. Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate;
- IFRS 8. Operating Segments (effective from 1 January 2009)
- IAS 1 (Revised 2007). Presentation of Financial Statements (effective from 1 January 2009)
- IAS 23 Revised. Borrowing Costs (effective from 1 January 2009)
- IAS 32 and IAS 1. Amendments to IAS 32 Financial Instruments: Financial Instruments and Obligations Arising on Liquidation (effective from 1 January 2009)
- IFRIC 9. Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement -
- IFRIC 13. Customer Loyalty Programmes;
- IFRIC 15. Agreements for the Construction of Real Estate;
- IFRIC 16. Hedges of a Net Investment in a Foreign Operation; and
- IFRIC 18. Transfers of Assets from Customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

Improvements to IFRS

In May 2008 and April 2009, the IASB issued 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 did not have material impact on the financial position or performance of the

- IFRS 5. Non-current Assets Held for Sale and Discontinued Operations (effective 1 July 2009);
- IFRS 7. Financial Instruments: Disclosures;
- IAS 1. Presentation of Financial Statements;
- IAS 8. Accounting Policies, Change in Accounting Estimates and Error;
- IAS 10. Events after the Reporting Period;
- IAS 16. Property, Plant and Equipment;
- IAS 19. Employee Benefits;
- IAS 20. Accounting for Government Grants and Disclosures of Government Assistance
- IAS 23. Borrowing Costs;
- IAS 27. Consolidated and Separate Financial Statements;
- IAS 28. Investments in Associates;
- IAS 29. Financial Reporting in Hyperinflationary Economies;
- IAS 31. Interest in Joint Ventures;
- IAS 34. Interim Financial Reporting;
- IAS 36. Impairment of Assets;
- IAS 38. Intangible Assets;
- IAS 39. Financial Instruments: Recognition and Measurement;
- IAS 40. Investment Properties; and
- IAS 41. Agriculture;

Amendments to published standards and interpretations issued but not yet effective.

The Company has chosen not to early adopt the following standards, amendments and interpretations to existing standards that were issued, but not yet effective, for accounting periods beginning on 1 January 2009. The company expects that adoption of these standards, amendments and interpretations is expected not to have any significant impact on the Company's financial statements in the period of initial application but additional disclosures will be required.

- IFRS 2. Share-based Payment (effective 1 January 2010);
- IFRS 3(Revised). Business Combinations and IAS 27 (Revised) Consolidated and Separate Financial Statements (effective 1 July 2009);
- IFRS 9. Financial Instruments (effective 1 January 2011);
- IAS 24 (Revised). Related Party Disclosure. The revised Standard shall be applied retrospectively for annual periods beginning on or after 1 January 2011;
- IAS 39. Financial Instruments: Recognition and Measurement - Eligible Hedged Items. The amendments to IAS 39 become effective for financial years beginning on or after 1 July 2009;
- IFRIC 14. Prepayments of a Minimum Companying Requirements (amendments);
- IFRIC 17. Distribution of Non-Cash Assets to Owners. This Standard is effective for periods beginning on or after 1 July 2009; and
- IFRIC 19. Distinguishing Financial Liabilities with Equity Instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

2.5 Summary of significant accounting policies

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

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 impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Derecognition of financial instruments

Financial assets

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

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
Equipments and other miscellaneous assets	Between 12.5 and 25	4 - 8

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

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 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 any reimbursement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

4 Revenue	2009	2008
	GH¢'000	GH¢'000
Transmission income	78,696	72,877
Wheeling income	2,068	1,827
	<u>80,764</u>	<u>74,703</u>
5 Direct expenses	2009	2008
	GH¢'000	GH¢'000
Staff cost	14,355	9,745
Materials and spares consumed	355	307
Other direct cost	3,352	3,315
Depreciation	21,198	15,716
Transmission Loss	20,569	17,933
	<u>59,830</u>	<u>47,017</u>
6 Other income	2009	2008
	GH¢'000	GH¢'000
Fibre optic maintenance Income	868	
Miscellaneous Income	553	
Government assistance	-	1,713
Profit on sale of fixed asset	4	289
	<u>1,425</u>	<u>2,002</u>
7 Administrative expenses	2009	2008
	GH¢'000	GH¢'000
Staff Cost	6,951	1,490
Materials and spares consumed	199	105
Other Administrative Cost	4,465	35,400
Depreciation	256	120
Auditors remuneration	40	25
Exchange loss	14,236	8,440
	<u>26,146</u>	<u>45,581</u>
8 Finance costs	2009	2008
	GH¢'000	GH¢'000
Interest on loans and overdrafts	3,915	1,644
9 Finance income	2009	2008
	GH¢'000	GH¢'000
Interest income	844	39

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

10 Taxation

The components for income tax for 2009 are as follows;

Year of assessment	At 1 Jan GH¢'000	Paid during the year GH¢'000	Charge for the year GH¢'000	At 31 Dec GH¢'000
2009	-	-	-	-
	-	-	-	-

A reconciliation between tax expense and accounting profit for the years ended 31 December 2009 and 2008 is as follows:

	Note	2009 GH¢'000	2008 GH¢'000
Accounting profit		(6,858)	(17,498)
<i>Non taxable item</i>			
Add back provision for bad debt		116	128
Add back provision for depreciation		21,454	15,836
Capital allowance	25	14,712	(1,533)
Excess Capital Allowance For the Period		(47,588)	(89,165)
Excess Capital Allowance B/f		(89,165)	
Excess Capital Allowance Carry Forward		(136,753)	(89,165)
Tax thereon 25%		-	-

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:

	2009	2008
Net profit attributable to equity shareholders	(6,857,674)	(17,497,564)
Number of ordinary shares for basic earnings per share	10,000,000	10,000,000
Earnings per share (GH¢)	(0.69)	(1.75)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

12 Property, plant & equipment

Cost/valuation	Transmission assets	Freehold land	Leasehold land	Buldings	Motor vehicles	computers	Miscellaneous plant & office equipment	Software	Capital work-in progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as at 1 January 2009	800,122	459	1,171	11,935	4,217	127	107	0	33,756	851,894
Disposals					(41)					(41)
HIPC relief										-
Transfers				773					(773)	-
Gross revaluation adjustment	173,442	-	-	2,554	1,057	28	23	(1)	-	177,101
Additions	47				2,243	63	11	103	26,820	29,288
At 31 December 2009	973,611	459	1,171	15,261	7,476	219	141	101	59,803	1,058,243
Depreciation										
Balance as at 1 January 2009	443,375	-	30	4,309	3,367	102	91			451,273
Disposals					(41)					(41)
Transfers To Vodafone (Disposal)										-
Gross revaluation adjustment	95,399			923	729	15	19	(0)		97,086
Charge for the year	20,686	-	30	216	466	31	10	15	-	21,454
At 31 December 2009	559,460	-	59	5,449	4,522	148	120	15	-	569,772
Net book value										
At 31 December 2009	414,152	459	1,112	9,813	2,954	71	21	86	59,803	488,471
At 31 December 2008	356,747	459	1,141	7,626	850	26	16	-	33,756	400,621

There were no indications of impairment at the reporting date.

Revaluation of property, Plant and Equipment was done at December 31st, 2009 by an internal valuer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

12b Disposal schedule	Cost	Accumulated depreciation	Net book value	Proceeds	Profit
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Motor vehicles	41	41	-	4	4
	41	41	-	4	4

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:

	2009	2008
	GH¢'000	GH¢'000
Stores and Spare parts	2,344	360
Provision for obsolete & slow moving stock	(1)	(1)
	2,343	359

15 Trade & other receivables

	2009	2008
	GH¢'000	GH¢'000
Trade receivables	2,228	18,999
Impairment of trade receivables	(244)	(128)
Fibre Optic Maintenance Debtor- Vodafone	868	-
Prepaid expenses	3,162	141
Staff advances	682	335
	6,696	19,346

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

16 Cash and short-term deposits

	2009	2008
	GH¢'000	GH¢'000
Cash at banks and on hand	4,606	2,576
	4,606	2,576

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

	2009	2008
	GH¢'000	GH¢'000
Cash at banks and on hand	4,606	2,576
	4,606	2,576

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

17 Issued capital and other capital reserves	2009	2008
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
Total	1	1
	=====	=====
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	2009	2008
	GH¢'000	GH¢'000
Loans due within 1year	9,930	24,884
	=====	=====
Loans falling due after 1year		
GoG Sovereign bond	31,630	34,519
Loans due within two and five years	5,489	5,072
Over ten years	66,422	43,314
	-----	-----
	103,541	82,905
	=====	=====
20 Trade & other payables	2009	2008
	GH¢'000	GH¢'000
Accrued expenses	300	34
Provision for audit fees	40	25
	-----	-----
	340	59
	=====	=====
21 Related party transactions	2009	2008
(a) Loans due from related parties:	GH¢'000	GH¢'000
Officers and other employees	1,463	1,207
	-----	-----
	1,463	1,207
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

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	
	2009	2008
Fixed rate instruments	GH¢'000	GH¢'000
Financial assets	3,692	20,205
Financial liabilities	113,471	107,789

Sensitivity analysis

The company had no variable interest rate instruments at the reporting date and at 31 December 2009.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

22 Financial risk management objectives and policies - continued

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

	2009 US\$'000	2008 US\$'000
Loans	28,651	41,218
Net balance sheet exposure	28,651	41,218

The following exchange rates were applied during the year:

Ghana Cedi

	Average rate 2009	Reporting date spot rate 2009
US\$ 1	1.40	1.43

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 2009.

Effect in Ghana Cedis	Profit/(loss) GH¢'000
31 December 2009	
US\$	5,001

A 10 percent weakening in the Ghana Cedi against the above currencies at the reporting date and at 31 December 2009 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 ongoing 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2009

22 Financial risk management objectives and policies - continued

31 December 2009

	Carrying amount GH¢'000	less that 6 months GH¢'000	6-12 months GH¢'000	1-2 years GH¢'000	2-5 years GH¢'000
Accrued expenses	340	300	40	-	-
Loans	113,471	4,965	4,965	24,884	78,657
	113,812	5,265	5,005	24,884	78,657

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.

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:

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:

	2009 GH¢'000	2008 GH¢'000
Trade receivables	1,984	18,871
Other receivables	1,463	1,207
Cash and cash equivalents	4,606	2,576
	8,053	22,654

Capital management

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

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

Collateral

The Company did not hold collateral of any sort at 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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

There were no commitments at the reporting date.

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 with in the financial statements, that would affect the operations of the Company.

25 Capital Allowance Computation

	Computer Equipment Class 1 40% Ghc'000	Automobiles and Machinery Class 2 30% Ghc'000	Furniture and Fittings Class 4 20% Ghc'000	Buildings, Structures and works of Permanent Nature Class 5 10% Ghc'000	Allowance Ghc'000
Cost at 31 December, 2008	34	289,989	26	6,164	
Written Down Allowance	(14)	(86,997)	(5)	(616)	(87,632)
Written Down Value c/f	20	202,992	21	5,548	
Written down value b/f Jan '09	20	202,992	21	5,548	
Additions	177	2,290	-	773	
Balance c/d 31/12/2009	197	205,282	21	6,321	-
Written Down Allowance	(79)	(61,585)	(4)	(632)	(62,300)
Written Down Value c/f	118	143,698	17	5,689	

PROXY FORM

GHANA GRID COMPANY LIMITED

We of
 being (s) member(s) of the above-named company hereby appoint

 of
 as our

proxy to vote for us on our behalf at the Annual General Meeting of the company to be held on Tuesday 30th November, 2010, at the MPhos Hotel, Roma Ridge, Accra and at any adjournment thereof

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

RESOLUTION	FOR	AGAINST
1. To receive the Financial Statements		
2. To fix remuneration of Directors		
3. To re-appoint Deloitte and Touche as Auditors of the GRIDCo and to Authorise the Directors to negotiate and determine the remuneration of the Auditors for the ensuing year.		

Signed day of November, 2010.

Shareholder's Signature

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING.

NOTES:

1. A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the meeting to act as your proxy but, if you wish, you may insert in the blank space marked (*) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
3. In the case of joint holders, each joint holder should sign.
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. Please sign the above proxy form and send it so as to reach the address shown overhead not less than 48 hours before the appointed time of the meeting.
6. The proxy must produce the Admission Card sent with the notice of the meeting to obtain entrance to the meeting.

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