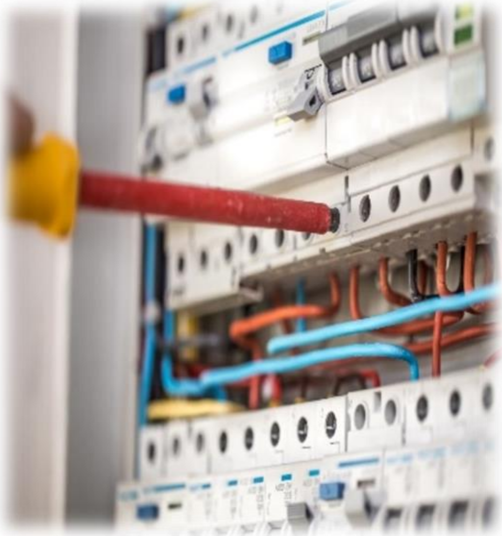
NORTHERN ELECTRICITY DISTRIBUTION COMPANY LTD.

2023 ANNUAL REPORT

& FINANCIAL STATEMENTS



VISION

"To become the leading power distributor in the West African sub-region".

MISSION

We supply quality and reliable electricity to create opportunities for socio-economic development in northern Ghana and beyond in a safe, sustainable, and commercially viable manner."

CORE VALUES

CORE VALUES	ACRONYM	BEHAVIOURAL DESCRIPTORS
Trust	**T**	We have confidence in the character of our employees
Accountability	**A**	We are responsible to customers for supply of safe, reliable and quality power
Commitment	**C**	We are dedicated to consistently delivering on our jobs and ensuring the success of our company.
Teamwork	**T**	We strive on the culture of working together to achieve our common goal
Integrity	**I**	We conduct our business with honesty (We Walk the talk)
Customer-Focus	**C**	Customer satisfaction is our priority
Safety	**S**	We strive to protect our employees, customers and the public from risks and injuries associated with our operations.

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Corporate information
For the year ended 31 December 2023

BOARD OF DIRECTORS		APPOINTMENT DATE
Ing. Emmanuel Antwi-Darkwa	Chairman	July 26, 2021
Mr. Osman Aludiba Ayuba	Member	July 26, 2021
Chief Musa Badimsugru	Member	July 26, 2021
Mr. Samuel Boakye	Member	July 26, 2021
Ms. Laila Abubakari	Member	July 26, 2021

Secretary	**Auditors:**
Mr. Joseph Nii Ayi Tagoe **Postal Address:** NEDCo Head Office P. O. Box TL 77, Tamale	The Auditor-General Ghana Audit Service P.O. Box M. 96 Ministries Accra

Bankers	
	GCB Bank Limited Societe Generale Ghana Limited Standard Chartered Bank Ghana Limited Absa Bank Ghana Limited National Investment Bank Limited Agricultural Development Bank Limited Ecobank Ghana Limited CalBank Ghana Limited

Report of the Directors
For the year ended 31 December 2023

In accordance with the requirements of Section 136 of the Companies Act, 2019, (Act 992), the Directors have the pleasure in presenting the report of the company for the year ended 31 December 2023.

Statement of directors' responsibilities
The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS), the requirements of the Companies Act, 2019 (Act 992).
The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the company, the directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities
The principal activity of the Company is the distribution of electric power to households and businesses in the northern parts of Ghana.

Financial results
The Company recorded a Net Loss of **GH¢547.973million** as against a Net Loss of **GH¢460.357million** (as restated) in 2022. The Loss of GH¢547.973 million represents a 19% deterioration over the previous year's performance. This poor performance is mainly due to high depreciation charge resulting from the 2021 physical revaluation of Non-current Assets, which led to a significant increase in the cost of Non-current Assets. Average Bulk Generation Charge (BGC) also increased by 23% from GHp50.2819/kwh to GHp62.0155/kwh with Transmission Service Charge (TSC 1&2) increasing by 22% from GHp10.6110/kwh to GHp12.9026/kwh. Even though, Average End-User Tarriff (EUT) went up by 28%, high distribution losses emanating from power theft has however aggravated the situation.

Going Concern
The company's Directors have assessed its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that cast significant doubt about the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Auditor
The auditors, Ghana Audit Service have indicated their willingness to continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992).

Approval of the financial statement
The financial statements were approved by the Board of Directors on

....	....
Emmanuel Antwi-Darkwa	**Osman Aludiba Ayuba**
Board Chairman, NEDCo	**Managing Director, NEDC**
Date: 26/04/24	**Date:** 26/04/24

Statement of Directors' Responsibility
For the year ended 31 December 2023

The Directors of the Northern Electricity Distribution Company Limited (NEDCo) are responsible for preparing the Financial Statements for each financial year which give a true and fair view of the financial position of NEDCo at the end of the financial year and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Directors of the Company are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that Company will continue in business.

The Directors of the Company are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the Financial Statements comply with International Financial Reporting Standard and the Companies Act, 2019 (Act 992). They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of respective responsibilities of Directors in the Independent Auditor's Report.

Report on the Audit of the Northern Electricity Distribution Company Limited's Financial Statements

Opinion

We have audited the financial statements of Northern Electricity Distribution Company Limited (NEDCo) for the year ended 31 December, 2023. These financial statements comprise; the statement of financial position, statement of Profit or Loss and other comprehensive Income, statement of changes in equity, Statement of cash flow for the year then ended, the Notes to Financial Statements including a summary of significant accounting policies and other explanatory information set out on pages 13 to 52.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NEDCo as at 31 December, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 2019 (Act 992).

Basis for Opinion

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Report of the Directors as required by Companies Act 2019, (Act 992), but does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

Emphasis of Matter

We draw your attention to Note 20 and Note 21 in the financial statements, which confirm the change in accounting policy relating to the recognition and measurement of government grants emanating from the Self-Help Electrification Project (SHEP) in line with IAS 20 – Government Grants and Disclosure of Government Assistance.

The separation of SHEP-funded assets from NEDCO-funded assets resulted in a transfer of GH¢4,632,354,164 from Reserves to Grants and a yearly amortization of GH¢185,294,166.56 over the 25-year useful life of the Distribution Network assets. The annual grant income of GH¢185,294,166.56 (refer to Note 2c) marginally improved the company's performance in 2022 and 2023.

Our opinion is not modified with respect to this matter.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards *(IFRS),* and legislations, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Those charged with governance are responsible of overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs)*,* which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards of Supreme Audit Institutions, the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercise professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit, we consider and report on the following matters. We confirm that;

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii. Proper books of account have been kept by the Company, so far as appears from our examination of these books; and
iii. The statement of financial position, the statement of financial performance, the statement of changes in net assets, and the statement of cash flows are in agreement with the books of account.
iv. We are independent of the Company pursuant to section 143 of the Act.

JOHN GODFRED KOJO ADDISON
DEPUTY AUDITOR-GENERAL/CAD
for: AUDITOR-GENERAL
ACCRA, GHANA

JOHN G. K. ADDISON
DEPUTY AUDITOR-GENERAL/CAD
AUDIT SERVICE, ACCRA

Dated 29-04-2024

CORPORATE GOVERNANCE

BOARD OF DIRECTORS AS AT DECEMBER 2023

Ing. Emmanuel Antwi-Darkwah(Chairman)

Mr. Osmani Aludiba Ayuba (Member/Managing Director)

Chief Musa Badimsugru (Member)

Ing. Samuel Boakye

(Member)

Ms. Laila Abubakari

(Member)

BOARD CHAIRMAN'S STATEMENT

BOARD CHAIRMAN’S STATEMENT

INTRODUCTION

In the year 2023, the Northern Electricity Distribution Company continued with its mission to supply quality and reliable electricity to create opportunities for socio-economic development in northern Ghana and beyond in a safe, sustainable, and commercially viable manner. Procurement and retailing of electricity to our customers continued with challenges such as inadequate revenue for investments, high energy losses largely due to energy theft by customers and high cost of operations among others.

In the face of the unfavorable conditions, NEDCo has chucked some successes. We recorded a revenue collection rate of 106.67%. The high percentage was partly due to credit notes received from the government. Primarily, a number of revenue mobilization exercises carried out by the company contributed largely to the revenue collection rate as a whole. Other interventions pursued to increase revenue collection rate and reduce energy losses include; installations of prepaid meters and prosecutions of customers involved in illegal connections among others.

While we pursued various interventions and did our best during the year, it was not without its challenges. Global economic uncertainties, procurement challenges, and regulatory benchmarks presented hurdles. However, through decisive leadership and a focused strategy, we were able to navigate these challenges and achieved some results.

STRATEGIC PLAN REVIEW AND APPROVAL

A 5-year strategic plan (2021-2025) dubbed ‘ARISE’ was reviewed by a committee resulting in the production of the 2023-2027 edition. The Strategy document was duly approved by the Board.

The strategy is based on five thematic or priority areas of focus designed to guide NEDCo’s operations for five years spanning the period 2023 to 2027 towards efficiency, sustainability, and profitability. The goal is to rally and direct resources, stakeholders, and staff efforts to areas that NEDCo intends to focus on to achieve its business objectives by investing and creating a future of Sustainable Electricity Services.

‘ARISE’ is the acronym representing the five thematic or priority areas of focus on which the strategy is hinged. All five focus areas are integrated and collaboration across them will be critical to meeting the goal of the strategy.

ARISE is therefore a means to provide strategic direction to inspire staff and customer confidence and commitment in the renewed NEDCo transformation agenda.

The **‘’ARISE”** Thematic Areas of Focus are; **A**dvance Business Processes to drive efficiency, **R**estore Customer and Stakeholder confidence, **I**mprove Human Resource Capacity and productivity, **S**upply safe, reliable and quality power efficiently and **E**nsure Financial Sustainability. The implementation of the strategy complimented the performance management of employees and departments.

BOARD GOVERNANCE

Effective corporate governance remains a cornerstone of NEDCo's success. The Board has worked diligently to ensure that we uphold the highest standards of governance and transparency in all our activities. In the year under review, the Board carried out its mandate to formulate strategies and policies for management's implementation. We undertook several governance initiatives under the following sub-committees:

- Finance & Commercial Committee
- Corporate Governance Committee
- Engineering & Operations Committee
- Audit Committee

The Board has also been actively engaged in supporting management as they implement the strategic objectives.

KEY PROJECTS UNDERTAKEN

The past year has been marked by several significant milestones projects that align with our long-term vision. Among these are:

Digital Transformation: We accelerated our digital transformation strategy and enhanced innovative solutions that not only improved operational efficiency but also contributed to customer experience. Our E-payment channels have contributed to growth in revenue and will continue to play a pivotal role in our future operations. The payment platform for NEDCo is to allow for easy integration with other third-party payment systems as well as the new Billing and Vending system. In 2023, our focus was to make it more accessible and user friendly for our customers to be able to pay bills as well as make electricity purchases from the comfort of their homes, offices or on the move.
NEDCo Supplied and Installed 40,300 Smart Split Prepaid meters.
Installation of Portable Capacitor Bank for Bimbilla feeder to improve supply voltages was also pursued. There were also network intensification projects for 21 communities among others.

FINANCIAL AND OPERATIONAL PERFORMANCE

The Company recorded a Net Loss of **GH¢547.973million** (including depreciation) as against a Net Loss of **GH¢460.357million** (as restated) in 2022. The Loss of GH¢547.973 million represents a 19% deterioration over the previous year's performance. This poor performance is mainly due to high depreciation charge resulting from the 2021 physical revaluation of Non-current Assets, which led to a significant increase in the cost of Non-current Assets. Average Bulk Generation Charge (BGC) also increased by 23% from GHp50.2819/kwh to GHp62.0155/kwh with Transmission Service Charge (TSC 1&2) increasing by 22% from GHp10.6110/kwh to GHp12.9026/kwh. Even though, Average End-User Tariff (EUT) went up by 28%, high distribution losses of 30.97% largely from energy theft has however aggravated the situation.
NEDCo recorded average supply availability of 99.38% for the year 2023.

OUTLOOK FOR 2024

The Board has hope in the company's strategic direction. The global business environment remains dynamic, and we are prepared to adapt to evolving strategies while capitalizing on growth opportunities through investment in research and development. The board is optimistic that debts by the government and its customers when paid will go a long way to improve the

financial position of NEDCo. In view of this, NEDCo will embark on revenue mobilization in 2024 in order to collect all its debts owed by customers.
The company intends to invest and leverage on technology among others to reduce energy losses, improve supply reliability and quality and customer services in order to generate more revenue.

We are confident that with our clear strategic vision, strong governance, and talented team, we will continue to serve our customers and stakeholders and continue to delight them.

The Board will ensure that NEDCo operates efficiently while maintaining high standards of supply reliability, safety and customer focus that customers deserve.

On behalf of the Board, I would like to extend my sincere thanks to the entire NEDCo team for their dedication, resilience, and hard work during the year under review. Their commitment to excellence has been integral to our success.

I would also like to thank my fellow Board members for their continued guidance and support. Together, we have navigated a challenging year and are well-positioned for future growth.

Finally, to our shareholders, thank you for your ongoing trust and confidence in our leadership. We remain committed to delivering long-term value for you and are excited about the opportunities that lie ahead.

GALLERY – ONGOING PROJECTS

Back view of Adubiyili Control building

Front view of Adubiyili Security Gate house and Control Building.

Adubiyili Switchgear Cable trench rebar installation.

Adubiyili Control building communication cable trench concrete works.

Lamashegu North Boundary Fence wall.

Lamashegu West Boundary Fence wall.

GALLERY – ONGOING PROJECTS

Lamashegu Septic tank.

Preparation of Ground works and Fencing works

Installation of Capacitor Banks and drop out fuses

Construction of Tower Foundation

Construction of Tower Foundation

MANAGING DIRECTOR'S REPORT

CORPORATE STRATEGY AND BUSINESS DEVELOPMENT

REVISION OF STRATEGIC PLAN

During the year 2023, management of NEDCo constituted a committee with detailed terms of reference to review NEDCo's 5-Year Strategic Plan (2021-2025) and bring it up to date with current trends. The committee subsequently submitted the revised 2023-2027 edition, code name 'ARISE' which was subsequently submitted to the NEDCo Board and it was duly approved.

The strategic plan has five (5) strategic themes with the Acronym ARISE;

During the year, management engaged departmental/Area/Sectional/Unit to align their objectives to the themes and corporate objectives of the plan and to agree on their 2023 targets. The agreed performance targets were rolled out for commencement of the 2023 target setting process by employees. This was done to ensure effective implementation of the NEDCo 5-Year Strategic Plan.

Management during the year continued to monitor and validate performances at all levels in the performance management process in the company. At the end of the year, NEDCo achieved some targets and missed out on some of the performance indicators.

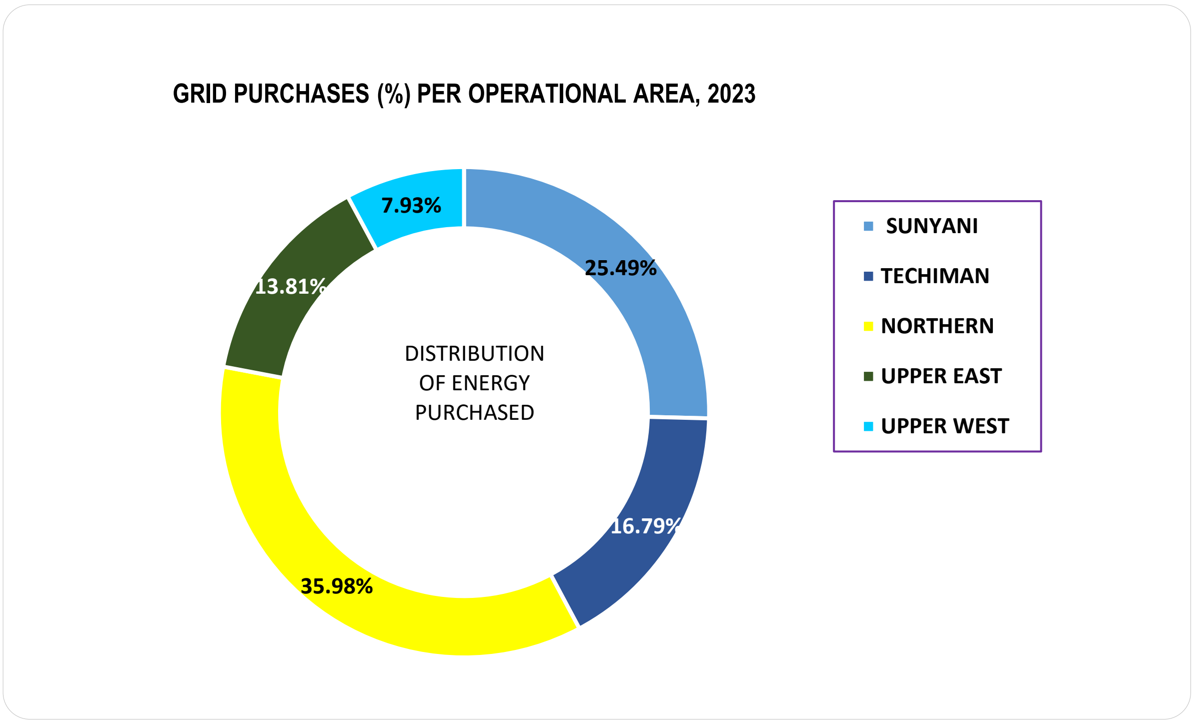
NEDCo also complied with the submission of regulatory reports to the Ministry of Energy, Public Utilities Regulatory Commission, Energy Commission and the State Interests and Governance Authority (SIGA). NEDCo engaged these bodies during the year to discuss progress with regards to its performance. The 2024 Performance Contract with SIGA was also prepared and submitted during the year.

COMMERCIAL OPERATIONS

POWER PURCHASED

Total energy purchased from the Volta River Authority (VRA) for the year 2023 was 1,938,298,064.07kWh compared with 1,823,795,781.69 kWh for 2022. Energy accounted for in 2023 was 1,338,078,360.30kWh. This represents 69.03% of the total energy purchased. The energy accounted for in 2022 is 1,307,059,846.50kWh which is also 71.67% of the energy purchased in 2022. Percentage of energy loss in 2023 was 30.97% compared with 28.33% for 2022. Total energy of 1,130,073,810.17kWh representing 58.30% of energy purchased was billed in 2023. The energy billed was 1,110,230,000.00 kWh. Streetlight consumption is estimated at 10% of energy purchased. The total annual estimated streetlights consumption for 2023 is estimated at 193,829,804.61kWh. The energy recovered from power theft detected during the year 2023 was also estimated at 14,174,745.53 kWh. This represents 0.73 % of the total energy purchased.

The diagram below shows the share of energy purchased for each of the operational Areas in 2023



ENERGY LOSSES

A total energy of 600,219,703.77 kWh was lost in 2023. This is higher than the energy loss of 516,735,935.19kWh recorded in 2022. The percentage energy losses in the year 2023 was thus 30.97% higher than the 28.33% in 2022. Northern Area recorded the highest energy loss of 45.72% in 2023.

The percentage energy losses for the Upper East Area as of 2023 was 28.51%. The conflict situation in Bawku continues to affect the energy losses in the Upper East Area.

Energy loss in NEDCo is mainly attributed to high energy theft especially in Tamale and network inefficiencies.

AREAS		ENERGY ACCOUNTED FOR (KWH)			ENERGY	%LOSS
	PURCHASE (kWh)	**STREETLIGHTS (kWh)**	**ILLEGAL RETRIEVED (kWh)**	**BILLED ENERGY (kWh)**	**LOSSES (kWh)**	
SUNYANI	494,056,148.55	49,405,614.86	2,471,950.40	330,965,939.15	111,212,644.15	22.51%
TECHIMAN	325,513,002.91	32,551,300.29	818,475.27	224,159,009.14	67,984,218.21	20.89%
NORTHERN	697,380,556.89	69,738,055.69	7,120,544.16	301,708,130.04	318,813,827.01	45.72%
UPPER EAST	267,676,221.32	26,767,622.13	2,927,153.89	161,671,529.70	76,309,915.60	28.51%
UPPER WEST	153,672,134.40	15,367,213.44	836,621.81	111,569,202.14	25,899,097.01	16.85%
NEDCo-TOTAL	1,938,298,064.07	193,829,806.41	14,174,745.53	1,130,073,810.17	600,219,701.97	30.97%

To effectively combat the losses situation in NEDCo, management has set up a loss control team at the Head Office to support the Operational Areas.

Technical Audit of Automatic Meter Reading (AMR) Meters

As part of efforts of ensuring proper energy accounting, NEDCo Management installed AMR meters at Bulk Supply Points (BSPs), Primary Substations and Out-station boundaries to measure the energy and demand injected into the network. During the year, a technical team, made up of staff from the Engineering Services Department and Commercial Departments, audited the performance of the AMR meters to ensure that they are functioning properly. Issues identified on some of them are being resolved.

Power Sales

Power sales increased from GH¢ 1,061,977,319.93 in 2022 to GH¢ 1,812,570,506.93 in 2023 representing 70.68% growth. The growth in power sales in 2023 is mostly due to increase in customer population, upward adjustment in electricity tariff, and enhanced energy loss reduction activities.

Total revenue collected through Prepaid Metering (PPM) and the postpaid system in 2023 was GH¢ 1,933,436,334.04 compared with GH¢ 1,132,873,580.09 collected in 2022. Revenue collection rate with MDAs for 2023 was 106.67% (government credit notes included) as compared with 106.68% achieved in 2022.

Collection rate with and without MDA's and GWCL – 2023 by Operational Area

AREA	BILLED REVENUE (GH¢)	COLLECTED REVENUE (GH¢)	COLLECTION RATE (%)	
			COLLECTION RATE (%) ACHIEVED	WITHOUT MDA's & GWCL(%)
SUNYANI	529,138,147.41	695,735,585.01	131.48%	88.04%
TECHIMAN	351,641,234.41	334,285,480.04	95.06%	93.04%
NORTHERN	490,290,637.48	455,261,700.30	92.86%	87.46%
UPPER EAST	261,573,675.99	247,584,358.44	94.65%	89.01%
UPPER WEST	179,926,811.64	200,569,210.25	111.47%	96.91%
NEDCo	1,812,570,506.93	1,933,436,334.04	106.67%	89.84%

RECEIVABLES

The total receivables for NEDCo as of December 2023 amounted to **GH¢ 1,284,081,900.41**. Outstanding debts in each of the Operational Areas are as shown below.

AREA	RECEIVABLES (GH¢)				RECEIVABLES LAG (DAYS)	
	NON-MDAs	PPM	MDA	GWCL	With MDA & GWCL	Without MDA & GWCL
SUNYANI	191,113,510.23	14,405,124.07	1,177,719.33	15,224,907.11	305	331
TECHIMAN	93,290,106.88	11,003,125.35	22,991,825.03	1,915,318.81	348	328
NORTHERN	426,449,327.41	74,379,287.16	147,036,224.55	45,347,747.79	905	867
UPPER	94,006,343.15	12,623,186.91	44,324,564.62	7,970,836.44	511	435
UPPER WEST	24,508,909.57	8,131,268.71	44,488,733.17	3,693,834.14	434	324
Total	**829,368,197.24**	**120,541,992.20**	**260,019,066.69**	**74,152,644.28**	**544**	**510**

Customer Population and Metering

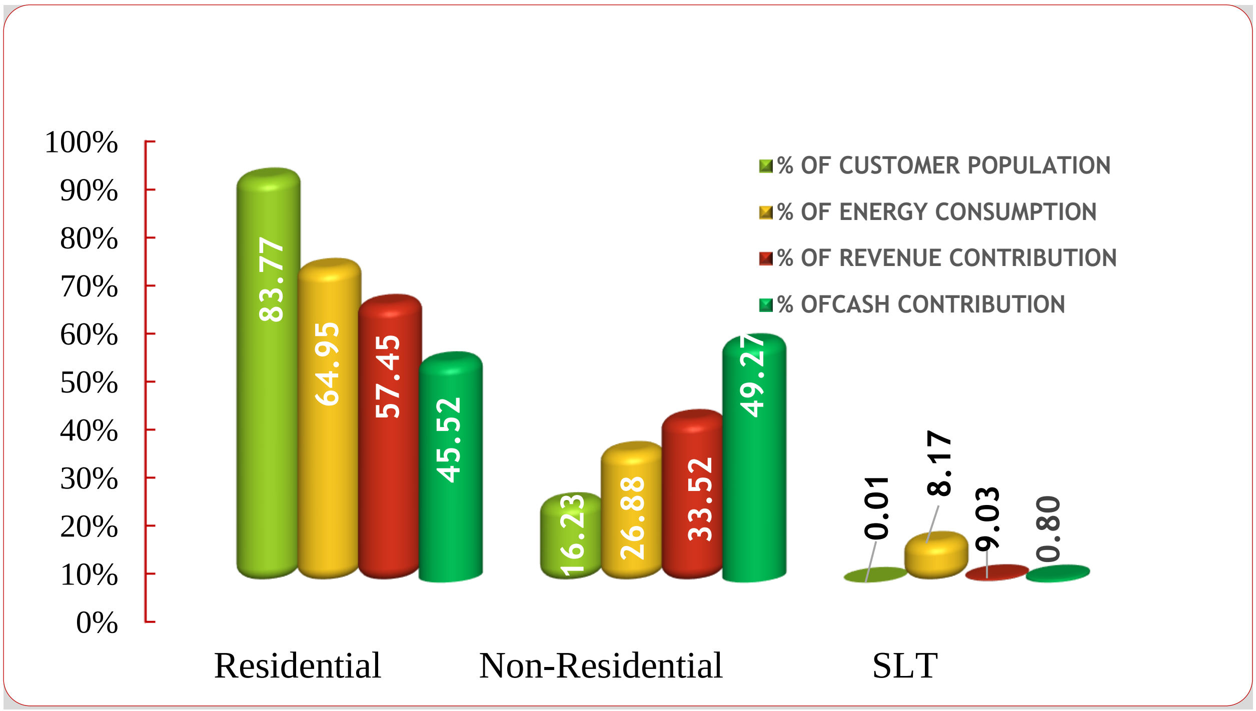
NEDCo has a total customer population of 1,202,540 (active/suspended) as of December 31, 2023. This is an increase of 5.87% over the 2022 customer population of 1,135,818. About 54% of NEDCo customers are on postpaid meters with 46% on prepaid meters. The ratio of Credit meters customers to pre-paid meter customers is therefore 54%:46% as of December 2023. Customers without meters also form about 1.01 % of the total customer population. The table below illustrates the distribution of the various metering types as of December 31, 2023

Customer Profile based on Metering Type -December 2023

AREA	POSTPAID		PREPAID					NEDCo TOTAL
	METERED	FLAT RATE	NON-SMART	SMART			PREPAID TOTAL	
				HEXING	MBH	MEINERGY		
SUNYANI	171,488	2,721	88,230	27,315	15,965	689	132,199	306,408
TECHIMAN	110,323	209	73,517	34,799	9,830	175	118,321	228,853
NORTHERN	171,075	9,101	94,279	21,675	0	29,417	145,371	325,547
UPPER EAST	120,582	49	53,207	25,480	0	497	79,184	199,815
UPPER WEST	64,886	25	57,789	19,195	0	22	77,006	141,917
TOTAL	**638,354**	**12,105**	**367,022**	**128,464**	**25,795**	**30,800**	**552,081**	**1,202,540**

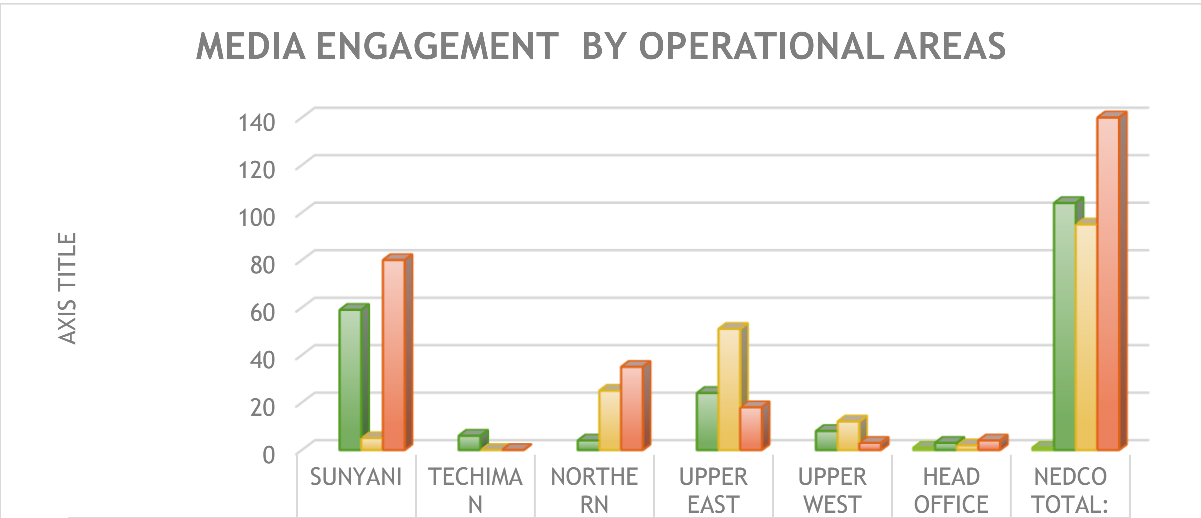
ACTIVE CUSTOMER CATEGORISATION AND THEIR CONTRIBUTION TO REVENUE

NEDCo customers are categorized as Residential, Non- Residential and Special Load Tariff customers. Residential customers form about 83.77% of NEDCo customer population. They consume about 64.94% of total energy sold and contribute 57.45% to total revenue. Non-Residential customers constitute 16.23 % of the total customer population. They consumed 26.88 % of the total energy sold and contributed 33.52% to total revenue. SLT customers are made up of 0.01% of the customer population. They consume about 8.17% of the energy sold and contribute 9.03 % of total revenue. The cost of serving the Residential customers is very high due to the sparse nature of residential settlements in the operational Areas.

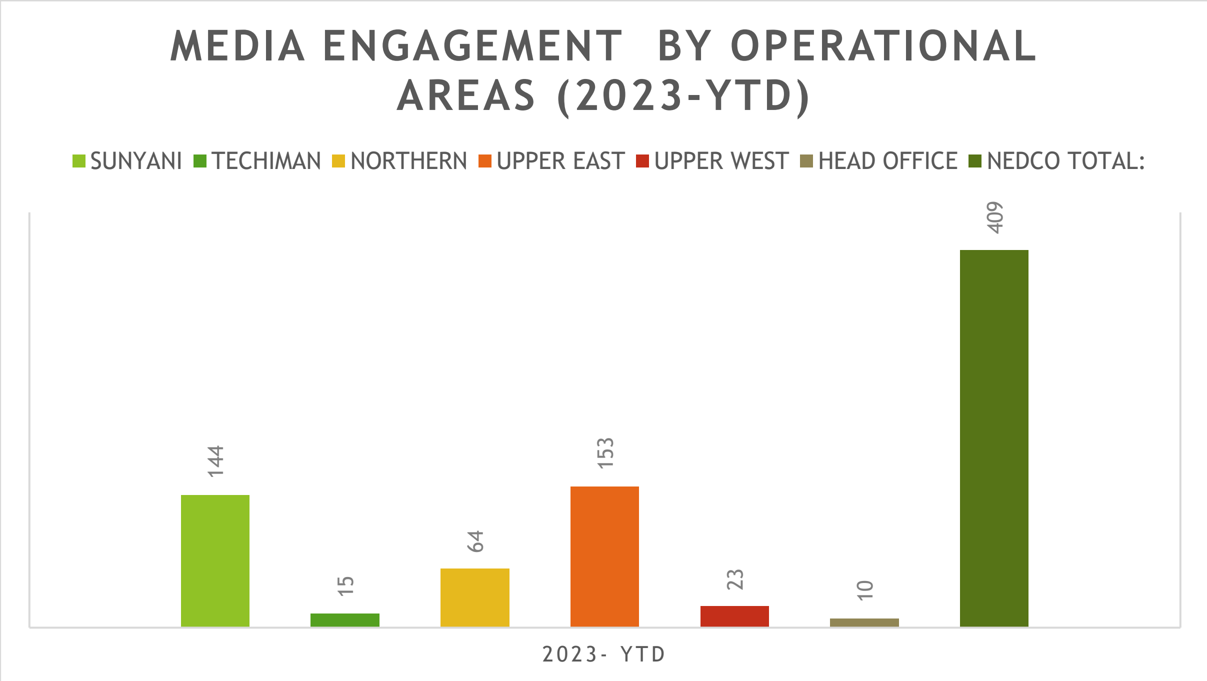


Customer sensitization on Radio/Media

Several programs were held on Radio and Television to educate customers on its operations. Various topics of interest were discussed during each of the sessions. In each of these programs, customers could call in during the call-in segment to ask questions or clarify issues they did not understand. Customers were also allowed to provide valuable feedback on NEDCo's services during the phone-in. The charts below give details of the media engagement carried out in each of the Operational Areas



	SUNYANI	TECHIMAN	NORTHERN	UPPER EAST	UPPER WEST	HEAD OFFICE	NEDCO TOTAL:
FIRST QUARTER						1	1
SECOND QUARTER	59	6	4	24	8	3	104
THIRD QUARTER	5	0	25	51	12	2	95
FOURTH QUARTER	80	0	35	18	3	4	140



Conflict Management (Smart PPM Installation)

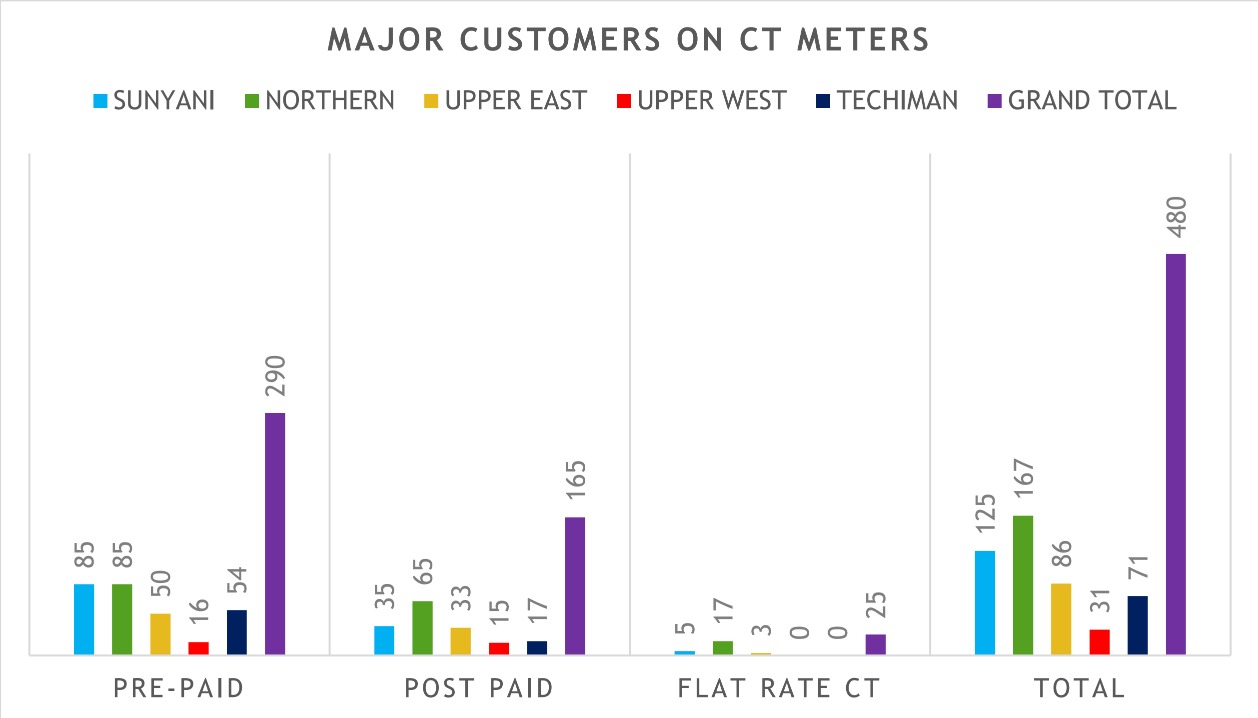
During the year, several communities in Tamale agitated against the installation of the Smart Prepaid Meters NEDCo was introducing in Tamale. Through the combined efforts of the Corporate Communications and Customers Services team of NEDCo and the support of the Public Utilities Regulatory Commission, the situation was brought under control.

The NEDCo team was given clearance by the Public Utilities Regulatory Commission (PURC) to continue installing the Meters in the Tamale Municipality.

Major Customers on CT Meters

During the year under review, NEDCo inspected 480 CT/ SLT meters and calibrated them on-site. The consumption of the meters was audited to ensure accurate billing. The distribution per area of these meters is shown in the table below.

10no. cross-border (Sonabel) meters were also inspected to verify the level of accuracy.



TECHNICAL OPERATIONS

PLANNED MAINTENANCE

The maintenance team of NEDCo undertook both preventive and corrective maintenance activities to ensure proper functioning of equipment. These maintenance activities by the team help improve reliability and reduce breakdown of electrical equipment. It also helped to reduce outages and suppressed demand. Each of the operational Areas has maintenance teams in charge of electrical maintenance and lines maintenance. The sub-transmission maintenance team located at the Head Office gives support to the Areas as and when required. NEDCo achieved 103.6% of its maintenance schedule. A total of 114 out of 8,276No. distribution transformers failed during the year. A good number of transformers were also injected into the Network to improve reliability and relieve overloaded transformers. During the year 2023, a general audit was conducted on all auto reclosers in NEDCo Operational Areas. Auto-reclosers on the Tumu-Gwollu and Tumu-Welembele lines were revamped and returned to service. The potential transformer was replaced, and work was carried out on the controller unit circuitry. Average power supply availability of 99.38% was achieved at the end of the year 2023.

Distribution Asset

The length of NEDCo's HT distribution network stood at 21,669 km as at the end of 2023. The total number of distribution transformers also stood at 8,276. This results in a total installed capacity of 2,113.7 MVA. The table below shows the major distribution network assets in NEDCo.

STATISTICS	Unit	Total
34.5kV Overhead	km	16,849.3
34.5kV Underground	km	14.2
30kV line length	km	0
20kV line length	km	65.3
11.5kV Overhead	km	4,669.1
11.5kV Underground	km	71.0
11.5kV Distribution Transformers	No.	2,664
34.5kV Distribution Transformers	No.	5,589
30kV Distribution Transformers	No.	0
20kV Distribution Transformers	No.	23
Total Distribution Transformers Capacity	MVA	2,113.7
415V line length	km	33,591.0
Service Lines	No.	245,357

ENGINEERING SERVICES

Consultancy Services Distribution Network Protection and Coordination System

The aim of this assignment is to determine NEDCo's protection and coordination requirements taking into consideration the safety guidelines, national and international standards and anticipated network expansion, and develop a distribution network protection and coordination manual for NEDCo.

The assignment is being executed by Power Research & Development Consultants Private Limited (PRDC) of India and funded by the World Bank. The key features of the project are below:

- Detailed short circuit and equipment duty analysis.
- Protective device coordination study
- Develop network protection & coordination scheme / manual.
- Training & capacity development

The consultant submitted a draft final report and protection philosophy manual during the year under review.

Consulting Services for NEDCo's Energy and Peak Demand Forecast

The aim of this assignment is to review the existing energy and peak demand forecast for NEDCo and develop a software model for performing the forecast based on available data and systems. The forecast model is expected to incorporate advanced artificial intelligence to improve the accuracy of the existing forecast model. The assignment is being undertaken by Deloitte Consulting, Ghana and funded by the World Bank.

The following are the expected deliverables of this assignment:

- Customized NEDCo Energy and Peak Demand forecast web-based software application fully integrated with NEDCo's billing system, AMI data and other data sources.
- Software user manual
- NEDCo Load Forecasting policy, processes, and procedures manual
- NEDCo 2022-2031 Energy and Peak Demand forecast

The following tasks are required to achieve the desired outcomes:

- Task 1 – Review of existing load forecast tool
- Task 2 – Design and develop forecasting software model
- Task 3 – Implement software adapted model for performing forecast
- Task 4 – Training and Capacity Development

Extension of Electricity to Tamale South and Nkoranza North Constituencies

NEDCo received a request from the Ministry of Energy (MoEn) to carry out engineering survey in eight (8) communities in the Tamale South Constituency where the MoEn intends to extend electricity to. NEDCo's engineering team visited the communities as requested by the Ministry. The initial survey report including layout drawings and price schedules were submitted to the MoEn. A similar exercise was also carried out for the Kokwaamoah community in the Nkoranza North Constituency during the year.

Similarly, NEDCo received a request from the Rural Enterprises Project (REP) under the Ministry of Trade and Industry (MOTI), requesting NEDCo to collaborate with a selected Contractor to supply transformers and extend electricity to Fifty-Four (54) 1D1F Youth Facilities located at various parts of the country.

NEDCo's engineering team visited the sites as requested and submitted a report to the Ministry.

Grid Intensification in Upper East & Upper West

The Government of Ghana received grant funding support from the Government of Switzerland (represented by Swiss State Secretariat for Economic Affairs - SECO) and the IDA of the World Bank towards the cost of the third (3^{rd}) phase of GEDAP (GEDAP III). The amount of US$10.5M of this fund was allocated to NEDCo for Institutional Strengthening/Support to NEDCo's Project Implementation Unit (PIU), Intensification of the Distribution Grid and implementation of Geographical Information System (GIS).

Grid Intensification works is meant to upgrade/intensify the electricity network of 18no. and 12no. towns in the Upper East and Upper West Areas respectively. The Contractor for the execution of the project is Golden Mainland Ghana Limited. The original Contract sum of the project was US$ 4,069,590 + GHS 3,000,089 but has been varied to US$ 5,054,866.91 + GHS 3,000,089.50 because of the anticipated increase in customer connections from 3,200 for Upper East and 3,700 for Upper West to 3,553 and 4,124 respectively. The project is about 35% complete.

Construction of Lamashegu 34.5/11.5kV Substation and Sub-transmission Lines

This project is intended to ease the present 11.5kV capacity constraints in the Tamale Metropolis. The project is packaged into two (2) lots - Lot 1 and Lot 2. The Contracts for the two lots were awarded to TBEA Company Limited.

Lot 1 involves the construction of a 2x20MVA substation with interconnecting and offloading circuits at Lamashegu. The scope is as follows:

- Design, supply, installation, testing and commissioning of a 34.5/11.5kV Substation comprising 2no., 20/26MVA Transformers, ten (10), 34.5kV and thirteen (13), 11.5kV Gas Insulated Switchgear (GIS), associated Equipment, Supports and Materials as well as the Protection, Control and Metering systems, site development, civil works, etc. at Lamashegu.
- Design and construction, with all necessary elements, 9km of 11.5kV galvanized steel pole offloading circuits.

Lot 2 involves the construction of switching station with interconnecting circuits at Adubliyili. The scope is as follows:

- Design, supply, installation, testing and commissioning of ten (10), 34.5kV Gas Insulated Switchgear (GIS), 2nos., 34.5kV incomer bays with 8nos., 34.5kV outgoing feeders, associated Equipment, Supports and Materials as well as the Protection, Control and Metering systems at Adubiyili.

- Design and construction, with all necessary elements, of 12km of 34.5kV lattice tower double circuit sub-transmission lines.
- Design, supply, install, test and commission, 12km of OPGW Fiber Optic cables from Adubiyili switching station with the 34.5kV interconnecting sub-transmission MV network.The overall progress of the project is **30% complete**

Supply and Installation of Portable Capacitor Banks for Bimbilla Feeder

Bimbilla is a fast-developing town under the local management of the Northern Operational area. The area is served by a long transmission line (80km) from the Yendi BSP. That area over the years has been plagued with numerous power quality issues ranging from low voltage, frequent power outage to insufficient capacity.

This project is aimed at improving the quality of power supply to Bimbilla and other neighbouring communities. The Contract was awarded to Alpha TND Limited on February 11, 2022.

This project involves the supply and installation of 2no., 3.6MVAR, 36kV, 50Hz, three phase, switched pole mounted capacitor system (Qpole) with associated civil works for Bimbilla Feeder.The overall progress of the project is **90%**

Installation of Capacitor Banks and drop out fuses.

Northern Ghana Rural Electricity Infrastructure and Access Project (NGREIA)

The Government of the Republic of Korea (GoK) has approved a loan facility in Korean Won currency not exceeding the equivalent of US$68,000,000.00 through its agency, Export-Import Bank of Korea (KEXIM) for Economic Development Cooperation Fund (EDCF), for Government of Ghana (GoG) to implement the NGREIA Project. The GoG is to provide counterpart funding of US$12,783,000 making the total cost of the NGREIA project US$80,783,000.

NEDCo is also to undertake some complementary projects to make NGREIA successful. These include acquisition of lands for the NGREIA project, civil works beyond the boundaries of the substations/switching stations, construction of feeders to and from the substations/switching stations respectively as well as communication networks between the substations/switching stations and the new SCADA control center. The total estimated cost of these Complementary Projects to be undertaken by NEDCo is US$38.2M.

The project consists of a Consultancy and an EPC (Engineering, Procurement and Construction). A consultant, Joint Venture of Byucksan-Sunjin, has been engaged to assist NEDCo, the Project Executing Agency (PEA), in the design, preparation of bidding documents and project implementation.

The EPC Projects consist of the following:

- 6No. substations
- 2No. switching stations,
- 1No. SCADA control building and
- 5No. customer service centers.

The scope of the complementary projects to be undertaken by NEDCo includes the construction of:

- 42.06km sub-transmission lines
- 29.11km distribution/offloading feeders and
- Site preparatory works.

The overall progress of the project is **5%**

Supply and Installation of 30,750 Smart Split Prepaid Meters (Lot 2)

This project aims to improve cash collection and reduce commercial losses. The contract was signed on April 7, 2021, with Meinergy Technology Limited**.**

The project involves the supply and installation of **30,750 Smart Split-type Prepayment Meters** and Accessories in the Northern Operational Area of NEDCo. It also includes the removal of existing meters from customers' premises where necessary and returning them to NEDCo's stores.

Factory Acceptance Test and delivery to NEDCo's Central Warehouse done for the following materials:

- 5/60A Single Phase Smart Split meters 5,760No. out of 11,200No.
- 10/100A Three Phase Smart Split meters 504No. out of 2,700No.
- Customer Interface Unit 5,714No. out of 30,750No.
- 200/5A CT meter complete 15No. out of 15No.
- 300/5A CT meter complete 10No. out of 10No.
- 500/5A CT meter complete 10No. out of 10No.
- 1200/5A CT meter complete 5No. out of 5No.
- 1500/5A CT meter complete 5No. out of 5No.

Supply and Installation of 40,300 Smart Split Prepaid Meters (Lot 3)

This project aims to improve cash collection and reduce commercial losses. The contract was signed on April 7, 2021, with Meinergy Technology Limited.

The project involves the supply and installation of 40,300 Smart Split-type Prepayment Meters and Accessories in the Northern Operational Area of NEDCo. It also includes the removal of existing meters from customers' premises where necessary and the return of same to NEDCo's office.

The installation of all the meters has been completed. However, there are communication challenges between some of the PLC meters and their Data Concentration Units which is being resolved. The overall progress of the project is **95% complete.**

Supply and Installation of Pre-stressed Concrete Poles

Over the years, NEDCo has relied on wood poles for the distribution of electricity to its customers. While they are cheaper compared to steel and concrete poles, wood poles are unable to withstand harsh environmental conditions such as bush fires, windstorm, etc. The use of wood poles comes with the challenges of outages, loss of revenue, and increased operational costs when the power supply network breaks down.

To address this challenge, C. K. Engineering Limited was engaged to supply and install 1,000 LV and 1,000 HT pre-stressed concrete poles and accessories to replace the wooden poles at some selected communities across all NEDCo Areas.

A summary of the project scope is as follows:

- Excavation of pole holes,
- Distributing/planting of poles with self-loading truck,
- Removal of conductors and headgears from existing wood poles,
- Refixing of headgears and restringing of conductors on prestressed concrete poles,
- Removal and transportation of wood poles to the respective Area Warehouse for safekeeping.

  Work is ongoing.

RENEWABLE ENERGY & ENERGY EFFICIENCY DESK (RE&EED)

The following are the key assignments undertaken by the RE&EE Desk in the year.

Scaling-Up Renewable Energy Programme (SREP)

The overall objective of this programme is to increase the use of Renewable Energy through the implementation of flagship renewable energy investments that would provide models for scale-up and leverage additional public and private financial resources to the country's Renewable Energy sector. There are four (4) projects under the programme, these are:

- Project 1: Renewable energy mini-grids and stand-alone solar PV systems.
- Project 2: Solar PV based net-metering with storage.
- Project 3: Utility-scale solar PV/wind power generation.
- Project 4: Technical assistance to scale-up renewable energy.
- NEDCo is a beneficiary of all four projects under the programme.

During the year under review, the Consultant for Project 2, Thomas Ackerman, was in Ghana to review the Project. NEDCo participated in the review meeting. The readiness of NEDCo for the projects was discussed.

Sustainable Energy for Climate Protection

The governments of Ghana and Germany has committed to improve the institutional and regulatory framework conditions for the use of renewable energy and energy efficiency solutions in Ghana, through the Sustainable Energy and Energy Efficiency for Climate Protection (SustainE4Climate or SE4C). The technical cooperation aims to strengthen the capacities of public and private actors in the field of RE/EE through technical, organizational and process advice as well as strategic capacity development in a multi-level approach.

NEDCo, among other Ghanaian state-owned utilities, receives business advice on the development and introduction of Sustainable Energy (SE) business models, aiming to ensure that utility companies generate revenues from the new business models and improve their operational performance.

In light of the above, NEDCo, GIZ and the Consultant appointed for the project have been working side by side in the development of NEDCo´s SE Business Models and Financial Plan since March 2023. Several seminars and workshops have been organised to draft a long-term SE business model that could be incorporated into NEDCo overall strategy and business plan, and to strengthen internal capacities in the NEDCo's management.

On 20th December 2023, a Workshop was held in Tamale to present the draft of the developed Business Plan & Modules to NEDCo Staff.

Development of NEDCo Renewable Energy Strategy Document

Global transformation of the power sector is causing the landscape of the electricity market to change at a faster rate with increasing adoption of RE/EE solutions by Commercial and Industrial (C&I) companies. The increasing trend of C&I consumers using RE/EE is driven by their desire to diversify their electricity generation sources, reduce their energy costs and reduce their carbon footprint as well as the increasing availability of funding opportunities and various financing models that make investment in RE/EE more affordable.

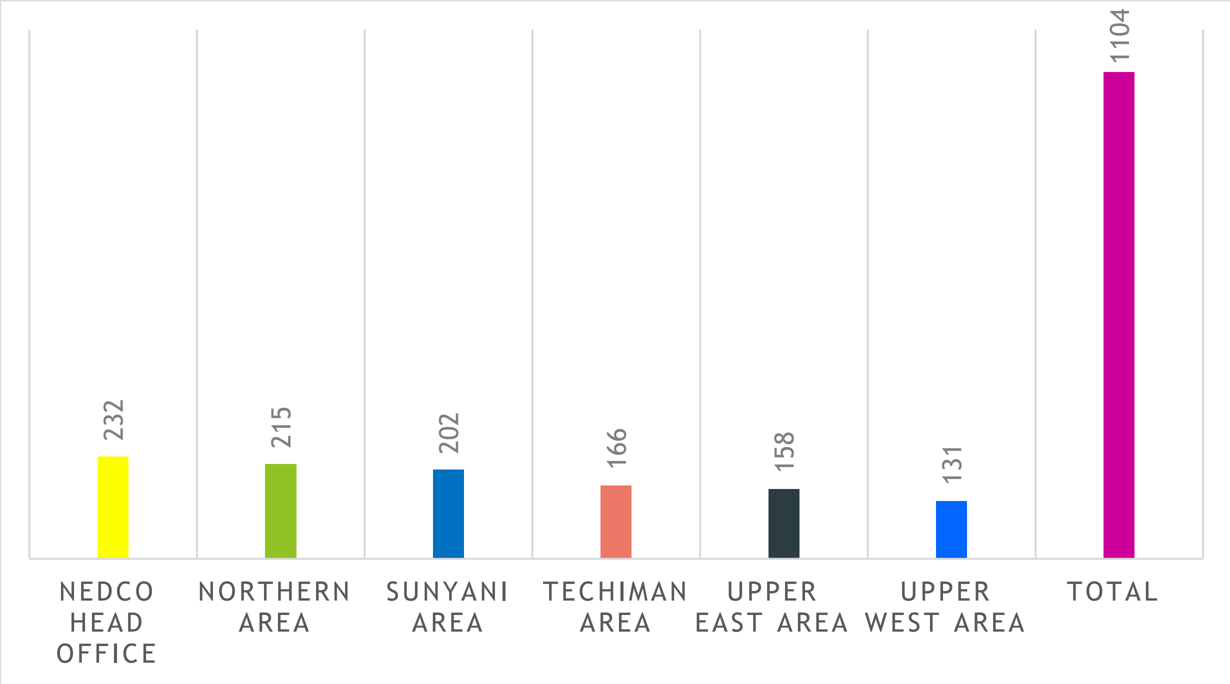
The increasing adoption of DER solutions could potentially hurt NEDCo's finances and overall health of the company. DER adoption could also provide some benefits when they are directed to parts of the distribution network that require some strengthening.

To navigate this path, NEDCo is developing an RE & EE Strategy Document to guide the company to get the best out of this global transformation.

SUPPORT SERVICES

Staff strength

The total workforce (permanent and contract) of NEDCo at the end of the year stood at one **thousand, one hundred and four (1,104).** Out of this number, **1,076** are permanent while **28** are contract staff. The staff are distributed across all the operational Areas of NEDCo including the Head Office. The distribution is as shown below:



Training and Development

Management during the year continued to provide both onshore and offshore tailor-made training programmes for staff to improve their knowledge, skills, and competencies in the discharge of their duties and to give staff the level of professionalism required to execute their jobs. Both Management and non-management staff benefited from the training programmes. NEDCo sponsored some of the training programmes, and in some cases, our development partners namely SECO, JICA, Public Procurement Authority and WAPP shouldered the cost of training.

INFORMATION COMMUNICATION TECHNOLOGY

In 2023 NEDCo adopted several digital transformation technologies across the various sections in the business. These interventions are critical to the overall success of the company. These interventions are:

- Enhancement of NEDCo's E-payment platforms (mobile money, web and pos). A new interface was introduced on both the mobile app and the web platform.
- Final provisioning of a 100MB leased line connection from Vodafone. This is to facilitate the synchronous updates from the Data center.
- Extension of corporate network

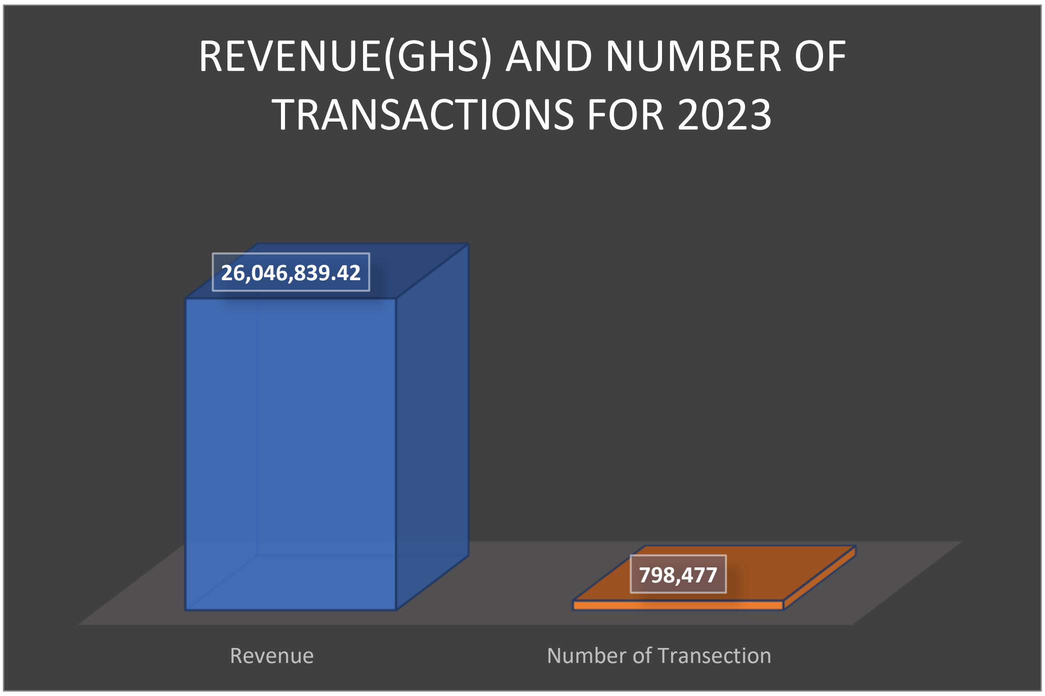
In fact, disruptions to businesses can happen at any moment which can affect business continuity. To combat this, there is the need to have a plan to deal with difficult situations when they arise. NEDCo has taken steps in the last two years to centralize its ICT infrastructure and consolidate the various "silo" systems that existed across all the five (5) operational areas. In 2023 the Hexing upgrade project was rolled out to ensure that all billing and vending activity took place from a central point, that is, the Head Office.

All five (5) "silo" databases have been consolidated into one master database and the applications as well have been re-engineered to a procedural workflow with a robust workflow management system.

E-Payment Channels

We set out to develop a multi-channel payment platform for NEDCo to allow for easy integration with other third-party payment systems as well as the new Billing and Vending system. In 2023, our focus was to make it more accessible and user friendly for our customers to be able to make bill payments as well as make electricity purchases from the comfort of their homes, offices or on the move.

Illustration of revenue and number of transactions as of December 2023.



Health and Safety

Health and safety classes were organized weekly in all operational Areas and once a month at the Head Office. Work Area safety inspections were carried out at all work locations to ensure a safe working environment for staff. Work Area safety inspection reports were discussed during WASACO meetings. NEDCo was able to hold its annual safety week. During this time, deserving Areas and individuals were reward for their outstanding safety performances.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS
FINANCIAL HEALTH

Northern Electricity Distribution Company Limited (NEDCo)

Financial Review
For the year ended 31 December 2023

Five year financial summary

	2019 GH¢000	**2020** GH¢000	**2021** GH¢000	**2022** GH¢000	**2023** GH¢000
Income	574,662	688,981	884,186	1,002,487	1,774,761
Other operating income	20,194	49,904	62,810	83,882	103,537
Amortisation of SHEP Grants	-	-	-	185,294	185,294
Operating and General Expenses (Excl. Depreciation)	822,557	990,145	1,053,727	1,315,660	1,988,015
Depreciation	145,018	140,697	70,203	422,270	625,766
Operating (Loss)/Profit before tax	(372,719)	(391,957)	(176,934)	(454,402)	(533,040)
Financial Income	29,412	12,936	6,211	5,910	2,216
Financial Expenses	-	-	-	18,786	6,222
Net Exchange Gain/Loss	-	-	-	6,921	(10,926)
Net Loss for the year	(343,307)	(379,021)	(170,723)	(460,357)	(547,973)
Property, Plant and Equipment (Cost/Valuation)	4,363,199	4,549,200	9,999,679	14,805,074	21,362,458
Accumulated depreciation	(3,658,462)	(3,980,315)	(2,958,016)	(4,819,668)	(7,421,833)
Property, Plant and Equipment (Net Book Value)	704,736	568,884	7,041,661	9,985,405	13,940,624
Capital Work in Progress	36,432	164,337	156,363	94,511	311,435
Current Assets	1,344,098	1,445,684	1,573,486	1,651,615	1,837,325
Current Liabilities	483,363	614,613	756,702	979,181	999,508
Stated Capital	500	500	500	500	500
Monies held towards capital	199,500	199,500	199,500	199,500	199,500
Investment by VRA	80,683	80,683	80,683	80,683	80,683
Reserves	1,559,949	1,546,484	3,385,539	6,464,748	11,044,855
Retained Earnings	(1,223,551)	(1,549,337)	(1,659,235)	(1,977,194)	(2,525,166)
Ghana Cedi (GH¢) to US$ Exchange Rate	5.200	5.7602	5.9961	8.2695	10.9920

Financial Review (cont'd)
For the year ended 31 December 2023

		2019	**2020**	**2021**	**2022**	**2023**
Return on Average Equity#	%	(43.54%)	(103.34%)	(5.05%)	(13.92%)	(8.17 %)
Return on Average Net Fixed Assets - Plant in operation* #	%	(39.30%)	(51.41%)	(4.31%)	(5.41%)	(4.58%)
Current Assets Ratio		2.78	2.35	2.08	1.69	1.84
Debt Service Ratio	Times	-	-	-	-	
Gearing Ratio	%	-	-	-	-	
Total production Expenses including depreciation	GH¢000	967,575	1,130,842	1,123,930	1,737,930	2,613,781
Total cost of production including depreciation and interest but excluding Debt Fluctuation	GH¢000	967,575	1,130,842	1,123,930	1,737,930	2,613,781

This is based on the operating profit or loss before exchange fluctuation, interest and commitment charges
* On replacement cost basis

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

			Restated
		2023	2022
		GH¢000	GH¢000
Revenue	2(a)	**1,774,761**	1,002,487
Cost of Sales	3(a)	**(2,422,617)**	(1,592,550)
		(647,856)	(590,063)
Other Operating Income	2 (b)	**103,537**	83,882
Amortisation of SHEP Grant	2 (c)	**185,294**	185,294
Administrative Expenses	3 (b)	**(174,015)**	(133,516)
Operating Loss		**(533,040)**	(454,404)
Financial Income	4(a)	**2,216**	5,910
Financial Expenses	4(b)	**(6,222)**	(18,786)
Net Exchange Gain/(Loss)	4(c)	**(10,926)**	(6,921
Loss for the year		**(547,973)**	(460,357)
Other Comprehensive Income:			
Actuarial Gain on Employee Benefit Obligation	*19(c)*	**(12,264)**	389
Revaluation Gain on Plant Property & Equipment		**4,580,985**	3,304,161
Total Comprehensive Income		**4,020,748**	2,844,193

All amounts relate to continuing operations.
The notes from pages 50 to 77 form an integral part of the Financial Statements.

Northern Electricity Distribution Company Limited (NEDCo)
Statement of financial position
As at 31 December 2023

	Notes	2023 GH¢000	2022 GH¢000 Restated	Jan 1, 2022 GH¢000 Restated
Assets				
Non-current assets				
Property, plant and equipment	5(b)	**14,252,059**	10,079,916	7,198,025
		14,252,059	10,079,916	7,198,025
Current assets				
Inventory	6	**75,551**	56,032	38,446
Trade and other receivables	7	**1,551,831**	1,471,113	1,369,743
Short term investments	8	**64,343**	4,392	38,087
Cash and bank balances	9	**145,600**	120,078	127,210
		1,837,325	1,651,615	1,573,486
Total Assets		**16,089,384**	11,731,531	8,771,511
Equity and liabilities				
Equity attributable to equity holders				
Stated Capital	10(a)	**500**	500	500
Monies Held Towards Capital	10(b)	**199,500**	199,500	199,500
Retained Earnings		**(2,525,166)**	(1,977,194)	(1,659,235)
Reserves	11	**11,044,855**	6,464,748	3,385,539
Total equity		**8,719,689**	4,687,554	1,926,304
Non-current liabilities				
Other payables	12	**2,108,421**	1,617,736	1,456,151
SHEP Grants	20	**4,261,766**	4,447,060	4,632,354
Total Non-current liabilities		**6,370,187**	6,064,796	6,088,505
Current liabilities				
Employee Benefit Obligations	19(c)	**75,906**	51,852	46,369
Trade and other payables	12	**923,602**	927,329	710,334
Total current liabilities		**999,508**	979,181	756,702
Total liabilities		**7,369,695**	7,043,977	6,845,207
Total equity and liabilities		**16,089,384**	11,731,531	8,771,511

....
Emmanuel Antwi-Darkwa
Board Chairman, NEDCo

Date: 26/04/24

....
Osman Aludiba Ayuba
Managing Director, NEDCo

Date: 26/04/24

Statement of changes in equity
For the year ended 31 December 2023

	VRA Investment	Monies Held Towards Capital	Retained Earnings	Reserves	Total Equity
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Balance as at January 1, 2022	500	199,500	(1,659,235)	3,385,539	1,926,304
Profit / (Loss) for the year 2022	-	-	(460,357)	-	(460,357)
Reserves for the year	-	-	-	3,304,161	3,304,161
Deletions/Adjustments					
Transfer to Retained Earnings	-	-	142,398	(142,398)	-
Adjustment/Deletion	-	-	-	(82,554)	(82,554)
Balance as at December 31, 2022	500	199,500	(1,977,194)	6,464,748	4,687,554
Balance as at January 1, 2023	**500**	**199,500**	**(1,977,194)**	**6,464,748**	**4,687,554**
Profit / (Loss) for the year 2022	-	-	(547,973)	-	(547,973)
Reserves for the year	-	-	-	4,580,985	4,580,985
Transfer to Retained Earnings	-	-	-	-	-
Deletions/Adjustments	-	-	-	(878)	(878)
Balance as at December 31, 2023	**500**	**199,500**	**(2,525,166)**	**11,044,855**	**8,719,689**

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 GH¢000	2022 GH¢000
Net Cash generated from operating activities	13	**320,754**	61,072
		320,754	61,072
Investing activities			
Interest Received		**2,224**	5,552
Purchase of plant, property and equipment		**(237,505)**	(107,451)
Capital work in progress		**-**	-
Net cash used in investing activities		**(235,281)**	(101,899)
Increase in cash and cash equivalents in the year		**85,473**	(40,828)
Cash and cash equivalents at the beginning of the year		**124,470**	165,297
Cash and cash equivalents at the end of the year	14	**209,943**	124,470

The notes from pages 50 to 77 form an integral part of the Financial Statements.

Reporting entity

The financial statements of the Northern Electricity Distribution Company Limited (NEDCo) for the year ended 31 December 2022 were authorized for issue in accordance with a resolution of the Board. The Northern Electricity Distribution Company Limited (NEDCo) was incorporated as a wholly owned subsidiary of the Volta River Authority and it is domiciled in Ghana. The Northern Electricity Distribution Company Limited (NEDCo)'s primary function is to procure electric power and distribute to homes and industries in the northern sector of Ghana and the neighbouring West African states.

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except otherwise stated. The financial statements are presented in Ghana Cedi (GH¢) which is also the Northern Electricity Distribution Company Limited (NEDCo)'s functional currency.

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 Standard Board (IASB).

Use of Estimates and Judgment

The preparation of financial statements complying with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying NEDCo's accounting policies. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Summary of Significant Accounting Policies

Revenue

Revenue is recognized to the extent that the economic benefit will flow to NEDCo, and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, and rebates.

Revenue from the sale of electricity is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue from the sale of electricity is recognized when the electricity is transmitted to the customer, recovery of the consideration is probable, and the amount of revenue can be measured reliably.

Interest Income

Revenue is recognized as interest accrues using the effective interest rate method. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

Government Grant

Grant and assistance from the government are reported at fair value when it can reasonably assume that the grant will be received and that NEDCo will meet the conditions of the grant. A grant tied to a non-current asset reduces the book value of the asset. A grant intended to cover expenses is reported in the statement of profit or loss and other comprehensive income as income over the same periods as the expenses.

Foreign Currency Translations

NEDCo's financial statements are presented in Ghana cedi, which is the Company's functional currency. That is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated into the functional currency at the prevailing exchange rate at the date of the transaction. On the statement of financial position date, monetary assets and liabilities in foreign currencies are translated at the exchange rate ruling at the year end. Exchange rate differences arising from translation of currencies are reported in the statement of profit or loss and other comprehensive income.

Financial Assets Initial Recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, and loan receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives designed as hedging instruments. Financial assets are recognized initially at fair value plus, in the case of investment not at fair value through profit or loss, directly attributable transaction costs.
NEDCo's financial assets include cash and short–term deposits, trade, and other receivables.

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 amortized cost using the effective interest rate method. Trade receivables are reported at the amount expected to be paid, less bad debts which are assessed individually. Impairment losses on trade receivables are reported under operating expenses. Trade receivables have a short, anticipated term and are therefore valued at a nominal amount without discount.

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 Northern Electricity Distribution Company Limited (NEDCo) determines the classification of its financial liabilities at initial recognition.

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

Subsequent Measurement

The measurement of financial liabilities depends on their classification. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

Properties, Plant and Equipment

(i) Recognition and Measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent Cost
The cost of replacing part of an item of property, plant or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to NEDCo and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

(iii) Depreciation
Depreciation is calculated and recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are amortised over the shorter of the lease term and their useful lives. Land is not depreciated. The annual depreciation rates used are shown in the table below:

Depreciation is charged in the year in which an asset is acquired or a capital work-in-progress is available for use. Interest costs related to capital work-in-progress are included in the cost of the assets and are depreciated as part of the total asset cost.

Depreciation charges

Asset	Rate of Depreciation	No of Years
Buildings	2.5	40
Motor Vehicles	Between 10.0 and 25.0	4.0– 10.0
Miscellaneous Plant, Equipment and Furniture	Between 12.5 and 25.0	4.0 – 8.0
Meters/Consumer Connections	Between 4.0 and 5.0	20 – 25
Distribution Network	Between 2.5 and 4.0	25 – 40
Computer Equipment	Between 20.0 and 25.0	4.0 – 5.0

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 capitalized as part of the cost of the respective assets.

Inventories

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

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

Cash and Short-term Deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of NEDCo'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 statement of financial position date.

Estimates and Assumptions

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

Provisions

Provisions are recognized when NEDCo has a present obligation (legal or constructive) as a result of a past event, and 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.

Risk and Risk Management

NEDCo's operations are exposed to a number of risks. To address these risks, NEDCo has established a risk management process that is based on the following components:

- Standardized risk definition
- Reliable methods for measuring risks
- Identifying the origination of risks
- Effective risk management for manageable risks
- Reporting in accordance with established routines
- Management in accordance with established strategies and fixed rules

Risk Mandate and Risk Management Structure

The Board of Directors has overarching responsibility for internal control and risk management at (NEDCo. The Board has, in turn, given NEDCo's Management a risk mandate. Management allocates this mandate to NEDCo's business units in accordance with a delegation structure. Each unit manages its own risks and has some room to manoeuvre within its respective mandate. The results achieved by the units are followed up on a continuous basis and reported to the executive management by an independent risk control function, Internal Audit, which is also responsible for monitoring NEDCo's overall risk mandate.

RISKS AT NEDCO

Political risks, operational risks, environmental risks and legal risks are general in nature and exist in all units throughout NEDCo. Insurable risks are managed centrally by NEDCo's Legal Services Department. The more specific risks in each part of the value chain are discussed below:

Political Risk

This refers to the commercial risk that can arise as a result of political decisions. Examples of this are price regulations in electricity distribution and transmission, uncertainty regarding changes in government, or changes in finance policies.

A change in the rules governing the energy industry is another type of political risk faced by NEDCo. These may include factors such as changes in taxation, introduction of environmental surcharges and changes in the political goals in respect of the energy sector. This type of risk is more difficult to predict and manage. To mitigate this, the company conducts active business intelligence activities and maintains contacts with key decision makers and relevant stakeholders. The Company also belongs to various national and international trade organizations.

Operational Risk

Operational risk refers to the risk of incurring financial loss, or loss of trust, due to errors or defects in the company's administrative routines. Operational risk can be divided into the following categories:

- Administrative risks – the risk of loss due to defects in the Company's division of responsibility, competence, reporting routines, risk measurement and evaluation models, and controls and follow-up routines.

- Legal risks – this includes risk of loss arising from the non-fulfilment of contracts due to shortcomings in documentation, counterparties lacking the right to enter into contracts or uncertainties regarding contract validity.
- IT risks – the risk of loss due to defects in IT systems
- Safety risks – the risk of outages due to deficient safety work

Electricity Price Risk

Electricity Price Risk is the risk that has the greatest bearing on the company's risk. Electricity prices are determined by Public Utility Regulatory Commission (PURC).

To determine the value of electricity price risk in electricity sale, the company simulates an anticipated outcome in the electricity tariffs. Forecasts of anticipated sale levels are drawn up, which then serve as the basis for how much is to be anticipated as losses due to tariffs

Price Category Risk

Price Category Risk arises when the price of electricity differs between various customer categories. NEDCo's price categories risk is controlled centrally and is managed by the Business Development and Sales Department.

1.6.6 Volume Risk

Volume Risk consists of deviations in anticipated and actually delivered volumes to a customer. This is managed by improving and developing forecasts of electricity consumption. In addition, volume risk is considered when drawing up the terms of contracts with customers.

Fuel Price Risk

Measurement and management of fuel price risk is conducted within the Finance Department. Fuel prices are affected by macroeconomic factors, among other things. The company manages fuel price risk by forecasting and analyzing price trends.

Investment Risk

NEDCo is a highly capital-intensive institution and, consequently, has an extensive capital investment program. Prior to every investment decision, a risk analysis is performed by simulating outcomes of price, cost, delays and cost of capital, the risks associated with each individual investment are assessed.

Plant Risk

The Northern Electricity Distribution Company Limited (NEDCo)'s largest insurable risks are associated with the operation of distribution and network plants. The company's plants can be damaged as a result of incidents and breakdowns which, as a rule, give rise to substantial costs due to shutdowns. Such plant risks are minimized through loss-prevention measures, good maintenance, training and effective administrative outlines. The plants are also insured against unforeseen occurrences.

Market risk

Market risk is the risk that changes in market prices, such as interest rates etc., will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Credit Risk

Credit Risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations and arises principally from NEDCo's receivables from customers.

The company's principal exposure to credit risk is in its trade and other receivables and loans to related parties. Trade receivables principally represent amounts owing to NEDCo by their customers and credit risk is managed at that level. Credit evaluations are performed on all customers requiring credit over a certain amount. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Exposure to Credit Risk

The carrying value of the Northern Electricity Distribution Company Limited (NEDCo)'s financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2023	*2022*
	GH¢000	GH¢000
Trade and Other receivables	**1,516,235**	1,352,742
Cash and cash equivalents	**209,943**	124,470
	1,726,178	1,477,212

Impairment Losses

The ageing of trade receivables at the reporting date was:

	Gross 31-Dec-23 GH¢	**Impairment allowance 31-Dec-23 GH¢**	Gross 31-Dec-22 GH¢	Impairment allowance 31-Dec-22 GH¢
Not past due	**58,227**	Nil	42,613	Nil
Past due 30-60 days	**82,013**	Nil	40,498	Nil
Past due 60-90 days	**240,019**	Nil	40,099	Nil
Past due 90-180 days	**466,307**	Nil	41,622	Nil
Past due 180 days and above	**734,004**	**64,335**	1,249,699	61,788
	1,580,570	**64,335**	1,414,531	61,788

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the NEDCo's reputation.

The Northern Electricity Distribution Company Limited (NEDCo) 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 and when they fall due. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements.

December 31, *2022*

	Total amount GH¢	less than 6 months GH¢	6-12 months GH¢	1-2 years GH¢	more than 5 years GH¢
Trade payables	858,071	858071	-	-	-
Trade payables to related parties	111,209	111,209	-	-	-
Sundry creditors	9,901	9,901	-	-	-
	979,181	979,181	-	-	-

December 31, *2023*

	Total amount GH¢	**less than 6 months GH¢**	**6-12 months GH¢**	**1-2 years GH¢**	**more than 5 years GH¢**
Trade payables	**862,121**	**862,121**	-	-	-
Trade payables to related parties	**17,358**	**17,358**	-	-	-
Sundry creditors	**120,029**	**120,029**	-	-	-
	999,508	**999,508**	-	-	-

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2014

In the definition of capital, the Company includes stated capital, Retained Earnings, and loans.

The Company is not subject to any externally imposed capital requirements.

Application of New and Revised Standards, Amendments, and Interpretations

During the year, there were certain amendments and revisions to some of the standards. The nature and the impact of each new standard and amendments are described below. The company intends to adopt these standards, if applicable, when they become effective. Standards were in issue, but not yet effective.

IFRS 9 Financial Instruments
Classification and measurement of financial assets

On 24 July 2014, the IASB issued the final version of IFRS 9 Financial Instruments incorporating a new expected loss impairment model and introducing limited amendments to the classification and measurement requirements for financial assets. This version supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015.

IFRS 9 uses a single approach to determine classification of financial assets (which will then determine their measurement basis either at amortized cost or fair value, replacing the many different rules in IAS 39). The approach is based on how an entity manages its financial assets ("business model") and the contractual cash flow characteristics of such assets ("contractual cash flows"). The business model criterion is met when an entity holds financial assets in order to collect the asset's cash flows.

The contractual cash flows criterion is met when the contractual cash flows collected from the financial asset represent solely interest and principal. When the two criteria are met, the financial asset must be measured at amortized cost unless the fair value designation is adopted. This assessment does not need to be performed on an asset-by-asset business but rather on a portfolio basis. A new measurement category of fair value through other comprehensive income will apply for debt instruments held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets.

Classification and Measurement of Financial Liabilities

The classification criteria for financial liabilities contained in IAS 39 move to IFRS 9 unchanged and the IAS 39 classification categories of amortized cost and fair value through profit or loss are retained. For a financial liability designated as at fair value through profit or loss using the fair value option, the change in the liability's fair value attributable to changes in the liability's credit risk is recognized directly in other comprehensive income, unless it creates or increases an accounting mismatch. The amount that is recognized in other comprehensive income is not recycled when the liability is settled or extinguished. The meaning of credit risk is clarified to distinguish credit risk from asset-specific performance risk. The cost exemption in IAS 39 for derivative liabilities is eliminated, although the concept of bifurcating embedded derivatives from a financial liability host contract remains unchanged from IAS 39.

Application of New and Revised Standards, Amendments, and Interpretations

Embedded Derivatives

The embedded derivative concept that existed in IAS 39 has been included in IFRS 9 to apply only to hosts that are not financial assets within the scope of the Standard. Consequently, embedded derivatives that under IAS 39 would have been separately accounted for at FVTPL because they were not closely related to the host financial asset will no longer be separated. Instead, the contractual cash flows of the financial asset are assessed in their entirety, and the asset as a whole is measured at FVTPL if the contractual cash flow characteristics test is not passed.

De-recognition

In October 2010 the requirements in IAS 39 relating to de-recognition of financial assets and financial liabilities were carried forward unchanged to IFRS 9.

Hedging

The hedge accounting requirements in IFRS 9 are optional. If certain eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains on the risk exposures they hedge.

The three types of hedge accounting remain: cash flow hedges, fair value hedges and net investment hedges. IFRS 9 allows combinations of derivatives and non-derivatives to be designated as the hedging instrument. There has been a broadening of the types of risks that may be hedged, especially for non-financial items. Risk components of non-financial items may now be hedged under IFRS 9. Changes in the way forward contracts and derivative options are accounted for when they are in a hedge accounting relationship will reduce profit or loss volatility when compared with IAS 39. The effectiveness test has been overhauled and replaced with the principle of an economic relationship. Retrospective assessment of hedge effectiveness is no longer required. The new requirements do bring with it more extensive hedge documentation and disclosure for entities.

The hedge accounting model in IFRS 9 is not designed to accommodate hedging of open, dynamic portfolios. As a result, for a fair value hedge of interest rate risk of a portfolio of financial assets or liabilities an entity can apply the hedge accounting requirements in IAS 39 instead of those in IFRS 9. In addition, when an entity first applies IFRS 9, it may choose as its accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of Chapter 6 of IFRS 9.

Impairment

A new impairment model based on expected credit losses will apply to debt instruments measured at amortized cost or at fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The loss allowance will be for either 12 month expected credit losses or lifetime expected credit losses. The latter applies if credit risk has increased significantly since initial recognition of the financial instrument. A different approach applies for purchased or originated credit impaired financial assets.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 Regulatory Deferral Accounts permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or payed at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

Consensus.

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

Amendments to Standards and Interpretations

IFRS 2 Share- Based Payments

The IASB finalized three separate amendments to IFRS 2:

Effects of vesting conditions on the measurement of a cash-settled share-based payment

Until now, IFRS 2 contained no guidance on how vesting conditions affect the fair value of liabilities for cash-settled share-based payments. IASB has now added guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments.

Accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled

Until now, IFRS 2 did not specifically address situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. The IASB has introduced the following clarifications:

- On such modifications, the original liability recognised in respect of the cash-settled share-based payment is derecognised and the equity-settled share-based payment is recognised at the modification date fair value to the extent services have been rendered up to the modification date.
- Any difference between the carrying amount of the liability as at the modification date and the amount recognised in equity at the same date would be recognised in profit and loss immediately.

Classification of share-based payment transactions with net settlement features

IASB has introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

IFRS 4 Insurance Contracts

The IASB issued amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach.

- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

IFRS 7 Financial Instrument: Disclosures

Disclosures about the initial application of IFRS 9

The following disclosures are required in the reporting period when IFRS 9 is first applied:

- changes in the classifications of financial assets and financial liabilities; and
- details of financial assets and financial liabilities which have been reclassified so that they are measured at amortised cost, including the fair value of the financial asset or liability at the end of the reporting period and the fair value gain or loss that would have been recognised in profit or loss during the reporting period if the financial asset had not been reclassified.

IFRS 10 Consolidated Financial Statements
Investment Entities Exemption

Amends IFRS 10, IFRS 12 and IAS 27 to provide investment entities an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 or IAS 39

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IFRS 11 Joint Arrangements
Accounting for Acquisitions of Interests in Joint Operations
The amendment addresses how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business.

IFRS 11 now requires that such transactions shall be accounted for using the principles in IFRS 3 Business Combinations and other standards. The most significant impacts will be the recognition of goodwill and the recognition of deferred tax assets and liabilities. The amendments not apply to acquisitions of interests in joint operations but also when a business is contributed to a joint operation on its formation.

IFRS 12 Disclosure of Interests in Other Interests

Investment Entities

This amendment clarifies which subsidiaries of an investment entity should be consolidated instead of being measured at fair value. The impact on whether the entities may be consolidated will result in changes in the disclosure requirements of IFRS 12 for subsidiaries.

IFRS 15 Revenue from Contracts with Customers

To keep the IASB and FASB informed on interpretive issues occurring during implementation of the converged revenue recognition standard and to assist in determining what action may be needed to resolve diversity in practice, the Boards created the Joint Transition Resource Group for Revenue Recognition (TRG).

The discussions of the TRG highlighted potential diversity in stakeholders' understanding of some topics in IFRS 15. In response to this, the IASB made amendments to the following areas clarify IFRS 15:

- Distinct goods or services
- Principal versus agent
- Licensing
- Determining the nature of the entities promise
- Sales-based usage- based royalties

IAS 1 Presentation of Financial Statements

The narrow-focus amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. In most cases the proposed amendments respond to overly prescriptive interpretations of the wording in IAS 1. The amendments relate to the following:

- materiality;
- order of the notes;
- subtotals;
- accounting policies; and
- disaggregation

IAS 7 Statement of Cash Flows

The amendments come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

To achieve this objective, the IASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.
The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.
The amendments state that one way to fulfil the new disclosure requirement is to provide reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. This is a departure from the December 2014 exposure draft that had proposed that such reconciliation should be required.

Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities

IAS 12 Income Taxes

The amendments in Recognition of Deferred Tax Assets for Unrealised Losses clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

- The carrying amount of an asset does not limit the estimation of probable future taxable profits.

- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

IAS 16 Property, Plant and Equipment

Clarification of Acceptable Methods of Depreciation and Amortisation

The amended IAS 16 introduces a rebuttable presumption that revenue is not an appropriate basis for amortisation of property, plant and equipment. This presumption can only be rebutted in two limited circumstances:

1. Property plant and equipment is expressed as a measure of revenue; or
2. Revenue and consumption of the item of property, plant and equipment are highly correlated.

Guidance is introduced to explain that expected future reductions in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset.

Agriculture: Bearer Plants

The amendments require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16. Bearer plants are defined as living plants that are used in the production or supply of agricultural produce and for which there is only a remote likelihood that the plant will also be sold as agricultural produce (other than as incidental scrap sales at the end of the plant's productive life). For cost benefit reasons, the amendments permit fair value as deemed cost for bearer plants on transition.

IAS 27 Separate Financial Statements
Equity Method in Separate Financial Statements

The objective of this narrow-scope project is to restore the option to use the equity method of accounting in separate financial statements. IAS 27 Separate Financial Statements allows an entity to account for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9 Financial Instruments in the entity's separate financial statements.

IAS 28 Investments in Associates and Joint Ventures
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

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The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IAS 38 Intangible Assets

Clarification of Acceptable Methods of Depreciation and Amortization

The amended IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in two limited circumstances:

1. The intangible asset is expressed as a measure of revenue; or
2. Revenue and consumption of the intangible asset are highly correlated.

Guidance is introduced to explain that expected future reductions in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset.

IAS 40 Investment Property

The amendment provides guidance on transfers to, or from, investment properties. More specifically, the question was whether a property under construction or development that was previously classified as inventory could be transferred to investment property when there was an evident change in use. The IASB amended the paragraph to reinforce the principle for transfers into, or out of, investment property in IAS 40 to specify that such a transfer should only be made when there has been a change in use of the property.

Improvements to IFRS

IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment deleted the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
Change in methods of disposal

The amendments introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments state that:

- Such reclassifications should not be considered changes to a plan of sale or a plan of distribution to owners and that the classification, presentation and measurement requirements applicable to the new method of disposal should be applied; and

Assets that no longer meet the criteria for held for distribution to owners (and do not meet the criteria for held for sale) should be treated in the same way as assets that cease to be classified as held for sale.

IFRS 7 Financial Instruments: Disclosure
Servicing contracts
The amendments provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of disclosures required in relation

to transferred assets. Paragraph 42C(c) of IFRS 7 states that a pass-through arrangement under a servicing contract does not, in itself, constitute a continuing involvement for the purposes of the transfer disclosure requirements.
However, in practice, most service contracts have additional features that lead to a continuing involvement in the asset, for example, when the amount and/or timing of the service fee depends on the amount and/or timing of the cash flows collected.

Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements
Amendments to IFRS 7 were made to remove uncertainty as to whether the disclosure requirements on offsetting financial assets and financial liabilities (introduced in December 2011) and effective for periods beginning on or after 1 January 2013) should be included in condensed interim financial statements, and if so, whether in all condensed interim financial statements after 1 January 2013 or only in the first year. The amendments clarify that the offsetting disclosures are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 *Interim Financial Reporting.*

IFRS 12 Disclosure of Interests in Other Interests

Scope
Clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Investment Entities
Clarifies that an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

IAS 19 Employee Benefits

The amendments to IAS 19 clarify that the high-quality corporate bonds to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at a currency level.

IAS 28 Consolidated Financial Statements

Investment Entities Exemption
Clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

IAS 34 Interim Financial Reporting

The amendments clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Entity has elected not to adopt these new standards and amendments to existing standards in advance of their effective dates. The Entity anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Entity in the period of initial application.

Customers buy power on the prepaid metering system which they normally use within the month. There is normally some amount of credit remaining in the meter of the customer which is used at the beginning of the ensuing month whiles the customer buys power. This is not accounted for because of the following reasons:

- ✓ *Power purchase is issued to a customer from a vending machine when power is purchased after which NEDCo has no access to monitor usage by the customer.*
- ✓ *Customers normally avoid purchasing power beyond what they need for a month because of the punitive nature of the tariffs on higher consumption within a month. The evidence is the long queues that occur at the vending points at the beginning of the month which quickly disappear.*
- ✓ *There is normally a spill-over of energy from one month to the other making the net effect of the energy carried over relatively insignificant. We therefore assume that the "rollover effect" sufficiently accounts for the variation.*

2(a). Sale of electricity	**2023**		2022	
	GWh	**GH¢'000**	GWh	GH¢'000
Residential	**734**	**958,504**	728	473,309
Non-Residential	**304**	**455,471**	293	308,576
Low-Voltage	**7**	**12,926**	7	7,795
High Voltage	**86**	**119,525**	82	71,568
Foreign Sales	**-**	**-**	-	7,651
50% Public Lighting Levy (PLL)	**-**	**22,472**	-	12,746
Streetlight Shortfall	**-**	**205,863**	-	120,842
	1,130	**1,774,761**	1,110	1,002,487

2(b). Other Income

	2023	2022
	GH¢'000	GH¢'000
New Service Connections	**2,005**	1,124
Service Charge (Distribution)	**96,182**	79,522
Reconnection Fees	**788**	604
Miscellaneous Income	**3,981**	2,391
Meter Maintenance Fees	**581**	241
	103,537	83,882

2(c). Amortisation of Grant

	2023	2022
	GH¢'000	GH¢'000
SHEP Grants	**185,294**	185,294
	185,294	185,294

3.0 Cost of Sales /Operating costs

3 (a) Analysis by budget cost element:	2023 GH¢'000	2022 GH¢'000
Purchase of Electricity	**1,188,718**	734,294
Transmission Service Charge	**241,142**	151,258
Salaries and Related Expenses	**272,309**	215,044
Material Expenses	**16,638**	38,869
Repairs & Maintenance	**24,219**	10,455
Depreciation	**619,508**	418,051
Other Working Costs	**60,083**	24,579
	2,422,617	1,592,550

3.(b) Administrative Expenses:		
Salaries and Related Expenses	**96,809**	71,014
Repairs & Maintenance	**26,131**	5,612
Depreciation	**6,258**	4,218
Increase in Provision for Bad Debts	**2,546**	25,255
Other Working Costs	**42,271**	27,417
	174,015	133,516

The above expenses include statutory audit expenses of GH¢131,455 (2022: GH¢126,445) and remuneration paid to Board Members of the Northern Electricity Distribution Company Limited (NEDCo) of GH¢228,580 (2022: GH¢215,236).

4.(a)Financial Income	2023 GH¢000	2022 GH¢000
Interest and Investment Income	**2,216**	5,910
	2,216	5,910

4.(b) Financial Expenses

	2023 GH¢000	2022 GH¢000
Bank Changes	**6,222**	18,786
	6,222	18,786

4.(c) Net Exchange Gain/(Loss)

	2023 GH¢000	2022 GH¢000
Foreign Exchange Loss/Gain	10,926	(6,921)
	10,926	(6,921)

	2022	2022
	GH¢000	GH¢000

5a. Capital works-in-progress

	2022	2022
	GH¢000	GH¢000
Balance as at Jan. 1, 2022	**94,511**	156,363
Additions during the year	**216,924**	-
Transfers during the year	-	(61,852)
Balance as at Dec 31, 2022	**311,435**	94,511

5 b. Property, Plant and Equipment

	Consumer Connections/Meters	Distribution Network	Motor Vehicles	Other Land & Buildings	Miscellaneous Plant, Furniture & Equipment	Total
A. Valuation/cost	**GH¢000**	**GH¢000**	**GH¢000**	**GH¢000**	**GH¢000**	**GH¢000**
Balance as at Jan. 1, 2023	1,466,633	12,856,595	195,924	216,543	69,379	14,805,074
Disposal/Transfers	-	-	-	-	-	-
Gross Rev. Adjustment	623,412	5,749,422	65,197	96,837	22,515	6,557,384
Additions during the year	-	-	-	-	-	-
Balance as at Dec 31, 2023	**2,090,045**	**18,606,017**	**261,121**	**313,380**	**91,894**	**21,362,458**
B. Depreciation						
Balance as at Jan. 1,2023	607,560	4,005,166	124,505	30,624	51,813	4,819,668
Disposal/Transfers						
Charge for the period	66,121	516,452	25,005	6,586	11,602	625,766
Gross Rev. Adjustment	236,211	1,679,398	33,135	13,068	14,587	1,976,399
Balance as at Dec 31, 2023	**909,892**	**6,201,016**	**182,645**	**50,278**	**78,003**	**7,421,833**
C. Net book value						
Balance as at Dec 31, 2023	**1,180,153**	**12,405,002**	**78,476**	**263,103**	**13,891**	**13,940,624**
Capital Work-in-Progress as at Dec 31, 2023 (Note 5a)						311,435
						14,252,059
Balance as at December 31, 2022	**859,073**	**8,851,429**	**71,419**	**185,919**	**17,565**	**9,985,405**
Capital Work-in-Progress as at Dec 31,2022 (Note 5a)						94,511
Total as at Dec 31, 2022						10,079,916

6. Inventory

	2023	2022
	GH¢'000	GH¢'000
Materials and spare parts	**75,551**	56,032
Written down for obsolete and slow-moving items	**-**	-
	75,551	56,032

7. Trade and other receivables

	2023	2022
	GH¢'000	GH¢'000
Power Sales Receivables	**1,580,570**	1,414,531
Provision for doubtful debts	**(64,335)**	(61,788)
	1,516,235	1,352,742
Prepayments	**10,348**	99,857
Sundry Receivables and Debit Balances	**18,640**	12,527
Staff advances	**6,608**	5,987
	1,551,831	1,471,113

Trade receivables are non-interest bearing and are generally on terms of 30 days from the date of invoice.

Movement in provision for doubtful debt

	2023	2022
	GH¢'000	GH¢'000
Balance at 1 Jan	**61,788**	36,533
Charge for the year	**2,546**	25,255
Balance at 31 Dec	**64,334**	61,788

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance a collective receivable allowance established for homogenous receivables in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment of similar financial assets - 10% collective allowance on non-government receivables.

8. Short term investments

	2023	2022
	GH¢000	GH¢000
Treasury bills	**64,343**	4,392
	64,343	4,392

9. Cash and bank balances	**2023 GH¢000**	2022 GH¢000
Local currency	**139,679**	111,856
Foreign currency	**5,921**	8,222
	145,600	120,078

10. Stated Capital

There were no changes in the authorized share capital of the company during the year under review. The authorized ordinary share capital of the company is ten million (10,000,000) shares, out of which five million (5,000,000) has been issued and fully paid up.

10. (a) Stated Capital	**2023 GH¢'000**	2022 GH¢'000
Stated Capital	**500**	500
10. (b) Monies Held Towards Capital		
Monies Held Towards Capital	**199,500**	199,500

11. Reserves

The Reserves arises as a result of carrying property, plant and equipment in the statement of financial position at current replacement cost/revaluation and actuarial gain/loss on valuation of employee benefit obligation. The movement on the reserve is analyzed as below:

	GH¢000	GH¢000
At Beginning of Year	**6,464,748**	3,385,539
Deletions/Adjustments	**(878)**	(82,554)
Reserves for the Year	**4,580,985**	3,304,161
Transfer to Retained Earnings	**-**	(142,398)
Balance at close of year	**11,044,855**	6,464,748

12. Payables	**2023 GH¢000**	2022 GH¢000
Current Portion		
Trade Payable	**923,602**	927,329

Non-Current Portion

Other payables: VRA Cu A/c	**2,105,757**	1,615,072
MoEN Current Account	**2,664**	2,664

Trade payables are non-interest bearing and are normally settled on 30-day terms.

13. Reconciliation of operating profit to operating cash flows

	2023 GH¢000	2022 GH¢000
Operating Profit / (Loss) before tax	**(533,040)**	(454,402)
Adjustments for:		
Depreciation	**625,766**	422,270
Adjustments/Deletion	**-**	(11,865)
Increase in Provision for Bad Debts	**2,546**	25,255
Deferred Income (P&L)	**(185,294)**	(185,294)
Operating Profit before working capital changes	**(90,022)**	(204,036)
Working capital changes:		
Change in inventories	**(19,519)**	(17,585)
Change in receivables	**(80,718)**	(101,371)
Change in payables	**(3,727)**	216,996
Change in Employee Benefit Obligation	**24,055**	5,483
Change in VRA Current Account	**490,685**	161,585
Net cash inflow/(outflow) from operating activities	**320,754**	61,072

14. Cash and cash equivalents

	2023 GH¢000	2022 GH¢000
Cash bank balances – Local	**139,695**	111,856
Cash bank balances – Forex	**5,905**	8,222
Short term investments	**64,343**	4,392
Cash and cash equivalents	**209,943**	124,470

15. Contingent Liabilities

There were no contingent liabilities at the end of the period under review. (2022: nil)

16. Comparative information

The previous year's figures have been re-arranged and reclassified, where necessary, for the purpose of comparison with current year's figures.

17. Fair values of financial assets and liabilities

(i) Financial instruments not measured at fair value

The table below summaries the carrying amounts and fair values of those financial assets and liabilities not presented on the statement of financial position at their fair values:

	Carrying amount	Carrying amount	**Fair value**	Fair value
At amortised cost	**2023**	2022	**2023**	2022
Financial assets	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Cash and Bank	**145,600**	120,078	**145,600**	120,078
Short term investment	**64,343**	4,392	**64,343**	4,392
Trade and other receivables (exc. prepayment)	**1,541,483**	1,371,256	**1,541,483**	1,371,256
	1,751,426	1,495,726	**1,751,426**	1,495,726
Financial liabilities				
Trade and other payables	**7,369,695**	7,043,977	**7,369,695**	7,043,977

(ii) Financial Investments

The fair value of available for sale securities is based on market prices on the stock exchange for quoted shares. Unlisted shares are carried at cost.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of Bank of Ghana's securities and other derivative contracts.

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant observable market prices in its valuation where possible.

18 Related party transactions

During the year, the Company entered into the following transactions with its related parties:

Year end balances arising from transactions with related parties:

Purchase of goods and services during the period include:

	2023	2022
	GH¢000	GH¢000
Power purchases from	**1,188,718**	734,294

Sale of goods and services during the period include: Nil
Nil

Year end balances arising from transactions with related parties:

Due to related parties (VRA Current Account) **2,105,757**
1,615,072

2,664
2,664

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2023, the company has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of directors and key management personnel of the company:

The remuneration of the Board of Directors during the year included in the above are as follows:

	2023	2022
	GH¢000	GH¢000
Board Remuneration	**229**	215

The remuneration of key management personnel is determined by the Board of Directors having regard to the performance of individuals and market trends.

	2023	2022
	GH¢'000	GH¢'000
Salaries and other allowances	**8,491**	6,319

19. Employee benefits

a. Long-service awards

This defined benefit scheme entitles employees to a benefit package at the end of their service to the company. This benefit package is paid at the point of exit on a graduated scale based on the length of service ranging from 10 to 40 years.

	2023	2022
	GH¢'000	GH¢'000
Present value of funded defined benefit obligations	**51,496**	24,659

b. Severance benefit

This relates to rewards (packages) paid to employees who attain certain milestone with the Authority and exit before their due date of retirement.

	2023	2022
	GH¢'000	GH¢'000
Present value of funded defined benefit obligations	9,373	10,774

c. Post-retirement Medical Benefit

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

	2023	2022
	GH¢'000	GH¢'000
Present value of funded defined benefit obligations	15,036	16,419

Movements in present value of defined benefit obligation

Long service award	**2023**	2022
	GH¢'000	GH¢'000
At 1 January	**24,660**	22,613
Current service cost	3,937	1,900
Interest cost	9,978	3,453
Actuarial cost	19,281	324
Benefits paid	(6,359)	(3,630)
Actual accrued liability at year end	**51,496**	24,660

Movements in present value of defined benefit obligation
Severance benefit

	2023	2022
	GH¢'000	GH¢'000

At 1 January	**10,773**	9,335
Current service cost	528	615
Interest cost	1,782	1,480
Actuarial gain	(2,541)	533
Benefits paid	**(1,170)**	(1,190)
Actual accrued liability at year end	**9,373**	10,773

Post-retirement Medical Benefit

	2023	2022
	GH¢'000	GH¢'000
At 1 January	**16,419**	14,420
Current service cost	619	559
Interest cost	2,818	2,207
Actuarial gain/Loss	**(4,476)**	(468)
Benefits paid	(344)	(299)
Actual accrued liability at year end	**15,036**	16,419

Expense recognised in profit or loss

	2023	2022
	GH¢'000	GH¢'000
Current service cost	5,084	3,074
Actuarial Loss	12,264	389
Interest cost on defined benefit pension plan obligations	14,578	7,140
	31,926	10,603

The expense is recognised in the following line items in profit or loss:

	2023	2022
	GH¢'000	GH¢'000
Administrative expenses	17,348	3,463
Finance costs	14,578	7,140
	31,926	10,603

Actuarial gains/losses recognised directly in OCI in the statement of profit or loss and other comprehensive income:

	2023	2022
	GH ¢000	GH ¢000
Cumulative amount at 1 January	**(124)**	(513)
Recognised in the year	12,264	389
Cumulative amount at 31 December	**12,140**	(124)

Principal actuarial assumptions at the year-end were as follows:

	2023	2022
	%	%
Discount rate	**18.00**	13.00
Salary inflation	**15.00**	10.00
Nominal inflation gap	**3.00**	3.00

Summary of employee benefits

	2023	2022
	GH¢'000	GH¢'000
Long service award	**51,496**	24,660
Severance benefit	**9,373**	10,773
Post-retirement Medical Benefit	**15,036**	16,419
Actual accrued liability at year end	**75,905**	51,852

20. SHEP Grant

	2023	2022
	GH¢'000	GH¢
At beginning	**4,447,060**	4,632,354
Transfer to P&L	(185,294)	(185,294)
Balance at End of Year	4,261,766	4,447,060

21. Restatement of financial statement

The 2022 financial statements were restated for a change in accounting policy relating to the recognition and measurement of government grants emanating from Self-Help Electrification Project (SHEP) in line with IAS 20 – Government Grants and Disclosure of Government Assistance. A retrospective application of the policy with effect from 2021 necessitated a transfer of GHS4,632,354,164 from Reserves to Grants and yearly amortisation of GHS185,294,166.56 over the 25 years useful life of the Distribution Network asset. The 2022 financial statement has been updated for reflection of this change in accounting policy as follows:

2022

	(As Previously Reported)	Adjustment	As restated
	GH¢'000	GH¢'000	GH¢'000
Operating Loss	(651,561)	185,294	(550,189)
Loss for the year	(645,651)	185,294	460,357
Retained Earnings	(2,162,488)	185,294	(1,977,194)
Reserves	11,097,102	(4,632,354)	6,464,748
Total Equity	9,134,614	(4,447,060)	4,687,554

The correction of the amounts in the 2022 financial statement as outlined above has resulted in the following adjustments to 2021 financial statement:

	2021		
	(As Previously Reported)	Adjustment	As restated
	GH¢'000	GH¢'000	GH¢'000
Reserves	8,017,893	(4,632,354)	3,385,539
Total Equity	9,134,614	(4,632,354)	1,926,304

22. Event after the reporting period

No significant event occurred after the end of the reporting date which is likely to affect these financial statements.